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# NATION'S BUSINESS

May



1926

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## Why Is Business Left Out?

Booming Guns and Political Spellbinding Monopolize  
American History

By FRANK R. KENT

## The Merchant and the Federal Reserve

Forrest Crissey interviews JAMES SIMPSON, President Marshall Field and Co.

## Where the Life Insurance Dollar Goes

By WALTON L. CROCKER

President John Hancock Mutual Life Insurance Co.

## Farmers Don't Grumble to Me

By J. F. JARRELL

Agricultural Commissioner Santa Fe Railway

## Everyman and His Bank—Dale Graham

Heroes of Our Merchant Marine—Chas. Edward Russell

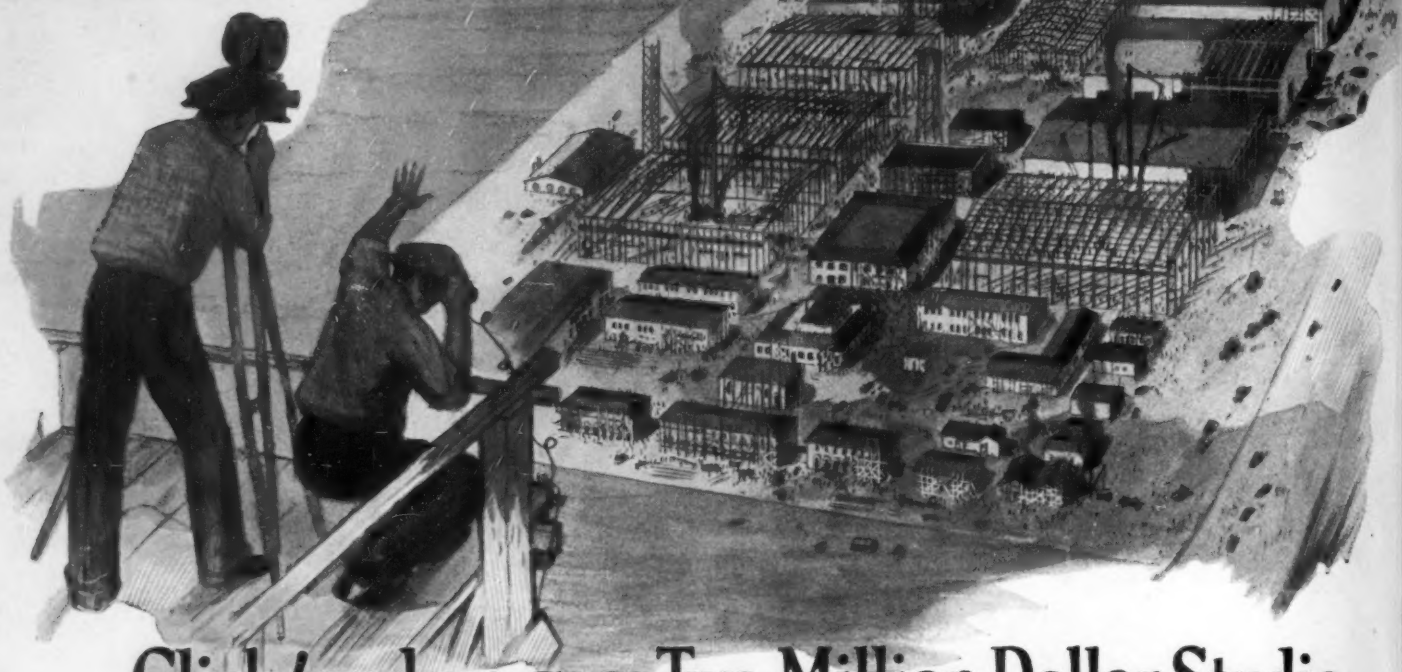
Our Railroads Still Compete—Robert S. Henry

Map of Nation's Business, page 50

Complete Table of Contents, page 5

Published at Washington by the Chamber of Commerce of the United States

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themselves are able to produce.

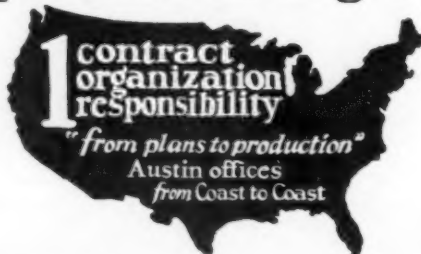
Austin is designing the buildings to meet the owner's requirements of 25 years hence, and has guaranteed to build them in an incredibly short time. Construction was started in March and occupancy is scheduled for June. The studio comprises 40 buildings in Spanish Mission architecture.

If you are an executive with a plant project under consideration, it will pay you to get in touch with Austin. Wire, phone or use the coupon.

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**F**REQUENTLY we hear that "letter-writing is a lost art."

I take no stock in that view, for every day, across the scratched top of my desk, pours a flood of letters from readers. They run a wide gamut. Suggestion. Criticism. Garlands. Fol de rol. Once in a while a friendly pat on the back; twice in a while a lusty wallop on the jaw. Ripples of humor. Flashes of wit. New viewpoints. Fresh inspirations.

I wish it were possible to share all of them. Since it isn't, I'll just pass on a few excerpts.

The increasingly complex condition of society makes it important that business men keep up with the business of the nation, and NATION'S BUSINESS meets this need.

That's the view of George McQuaid, Dallas, director of the Texas Public Service Information Bureau. This thought, variously phrased, comes from many readers and encourages us to think that perhaps NATION'S BUSINESS has marked out for itself a peculiar sphere of service and encourages the hope that it is making some headway in that direction.

**JACOB KROEPHELIN**, Bergen, Norway, just around the corner from the Aurora Borealis, writes:

I should like to be enlisted as a subscriber to your publication.

I haven't checked it accurately, but I shouldn't be surprised if Mr. Kroepelin is our "farthest north" reader. If there are others nearer the Northern Lights, let's hear from 'em.

**PROF. J. L. C. FISH**, Department of Engineering Economics, Leland Stanford University, tells us that "Things to Tell Your Men," George E. Roberts' series published in NATION'S BUSINESS, is required reading in Engineering Economics at Stanford.

The idea, as explained by Prof. Fish, is that if the student has not studied elementary economics, the Roberts series will stir his interest, and, if he has had a previous hazy, uncertain understanding of what economics is all about, the Roberts story will clarify the haze and define his ideas.

"We have had enthusiastic appreciation of these booklets from the students," writes Prof. Fish.

**IT WAS** Hendrik Van Loon, as I recall, who said, in effect, that cock-sureness and intolerance are brothers under the skin. That's a great line, impressing the value of getting the other fellow's viewpoint.

An "exchange of diplomatic notes" with C. A. Burton, Kansas City, is in order.

Mr. Burton wrote, a time ago, taking issue with NATION'S BUSINESS' policy in relation to certain questions of national concern. He thought we should "take sides" more, in our editorial treatment. Though entirely candid, his comment was most

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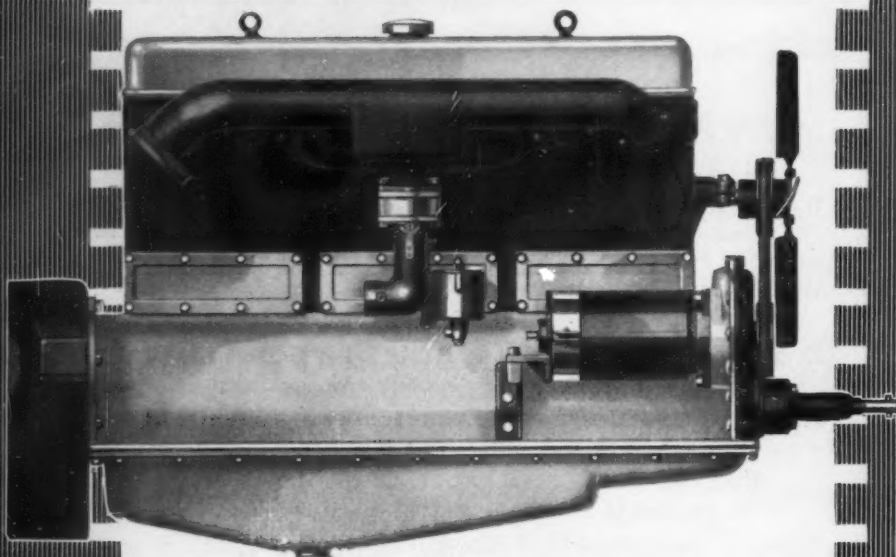
### NATION'S BUSINESS

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers to which expression is given.



## How Wisconsin Gives More-for-the-Money

By delivering More Power per Cubic Inch, every motor in this great line of Sixes and Fours nets a clean-cut gain to manufacturer, seller and user.

In Wisconsin Motors, the fundamentally sound overhead valve design has been developed to remarkable efficiency.

A little more power from each cubic inch of piston displacement, a little more mileage from each gallon of fuel and oil, a little more time between "overhauls"—add these and you have piled up a very real gain. It's particularly noticeable in the bus field, where costs can mount so quickly.

WISCONSIN MOTOR MFG. COMPANY  
MILWAUKEE WISCONSIN

Wisconsin Motors are manufactured in a full line of Sixes and Fours, with power range from 20 to 120 H. P.—for trucks, busses, tractors, and construction machinery.

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friendly in spirit, and in reply I outlined at some length our editorial program as a desire to find and state facts on both sides of questions of interest to our audience. To present, in short, dependable data from which individual readers might form opinion.

This brought a fine response from Mr. Burton. He said:

You know I like your reply about the policy of your paper. I like the very frank way you have of expressing the position that a newspaper or magazine should take, and it points out to the layman that he doesn't know much about the other man's business, and if you get his viewpoint it is much easier to get along.

Here's another.

Z. A. Crain, President of the Redfield National Bank, Redfield, N. D., writes:

Sometimes I get hot under the collar, but I soon get over it and, in the main, I get lots of good out of NATION'S BUSINESS.

... Sometimes I like it, and sometimes I don't, but I get your viewpoint and that helps broaden mine.

ANDREW J. FRAME, veteran Wisconsin banker, who has battled so valiantly for the rights of the small town institution, was moved by a NATION'S BUSINESS advertisement to set down this statement of where we should draw the line in government ownership and operation. He writes:

Under individualism have we not prospered marvelously? As some cry for monopoly, where will the dividing line be?

First: There are some "natural monopolies" such as courts, means of communication, highways and the like, in short, the machinery of government itself, which few will deny; patents safeguard temporarily individual monopoly, which seems just.

Second: "Semi-natural monopolies" such as railways, public utilities, oil products and a few other necessarily large-scale productions, should have governmental safeguards to regulate them to prevent monopoly.

Third: Individualism, coupled with general incorporations, doubtless broadcasts "the greatest good to the greatest number."

Fourth: Monopoly or government ownership seems the next step, both of which are repugnant to American liberty and American progress. Big business should not be legalized to "put out of business" any legitimate enterprise. Unrighteous, despotic power is the mother of warfare.

Fifth: The wreck of Europe through imperialism, monopoly, socialism, communism and finally anarchism, should be a warning to us that individualism upbuilds while monopoly and other isms eventually paralyze human progress.

We are for the middle ground as far as the greatest stimulant to the greatest human progress. The Golden Rule has not yet lost its savor.

A "kiver to kiver" reader of NATION'S BUSINESS is W. F. Sims, Felt & Tarant Mfg. Co., Chicago, who writes:

I read the magazine from cover to cover, and find the articles are always conservative, soundly written and contain facts that every man should try to assimilate.

We surely have a weakness for NATION'S BUSINESS "fundamentalists" like Mr. Sims. May their tribe increase.

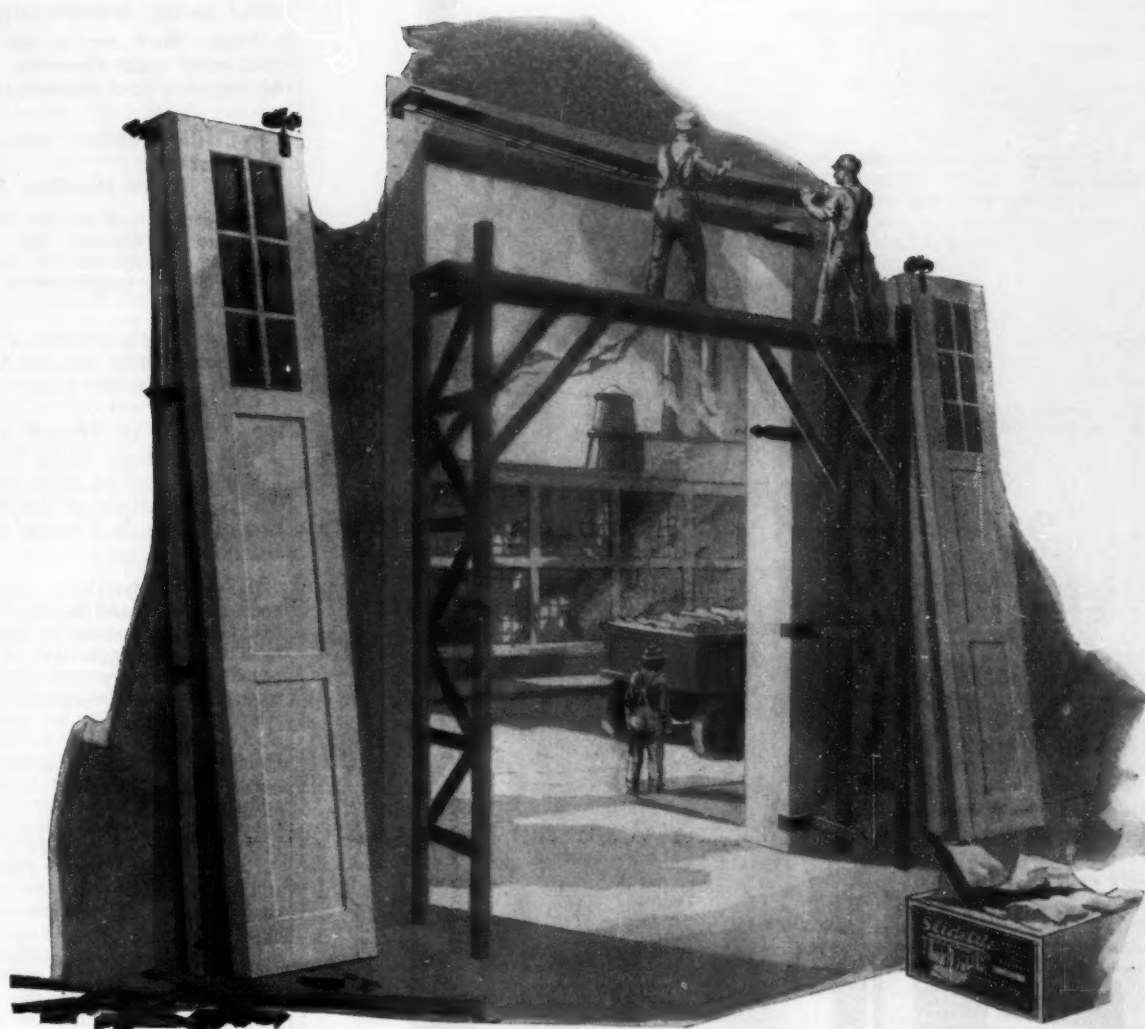
FIRST impressions are important.

Here's a new subscriber's first impression of NATION'S BUSINESS.

W. J. McCart, Toronto, Canada, writes:

Being a new subscriber to NATION'S BUSINESS, I am in receipt of my first copy. Allow me to say that I am very much pleased with it, as I had formed the opinion that a business maga-





## Doing the job over

**YOU'D** be surprised to know that a large percentage of our volume is in replacements.

Scarcely a day passes that one or more of our service branches are not called on to tell somebody what to do with doors that won't work.

In nearly every case, the trouble is that somebody — builder, architect, owner; generally owner—"saved money" on

cheap door-hardware; and the result is that the job has to be done over. A door that's improperly equipped doesn't work; and a door that doesn't work is worse than no door at all.

"Doing the job over" is a costly operation; hardware too light for the work; or made to sell at a price; or mistakenly designed for its duty. The right thing even at a higher price would have cost less in the end.

*Richards-Wilcox doorway engineers will show you how to avoid all this, if you ask them. Their service is free; but it is worth money to you.*

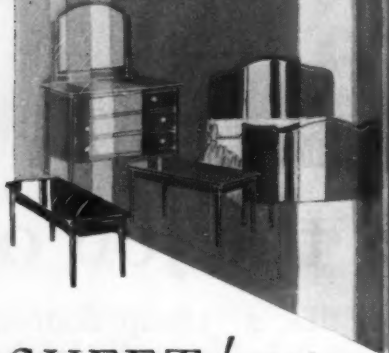
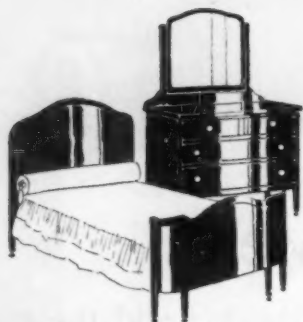
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## NEW STEEL REFLECTIONS No 3



*This STEEL SHEET keeps  
your promise to the home*

**T**HERE is a hidden promise in every piece of metal furniture made for the home. These furnishings, to hold approval, must be strong and durable as well as fashionably decorative—yet of light and convenient weight as well as marks of homey desirability. So much depends on the material under the attractive finishes that more than often it directly reflects the integrity of the manufacturer.

For the buyers of steel furniture want more than goods of mere metal. They want serviceable household pieces that are smartly indicative of the pleasing grace and charm that bespeak the comfort, the utility, the individuality of the places where they live. Well chosen steel sheets—Newsteel Sheets—insure the fulfillment of this promise.

NEWSTEEL SHEETS are made for those manufacturers requiring sheets about which there is not, and never can be, a question of substitute or compromise. The story of this precision in manufacture is told and illustrated in the Newsteel Catalog. A copy will be forwarded upon request.

**THE NEWTON STEEL COMPANY**  
YOUNGSTOWN, OHIO

*When writing to THE NEWTON STEEL COMPANY please mention Nation's Business*

zine might not be very interesting. After reading the issue I have just received, I must admit that I am very agreeably surprised.

Fine. We'll try to see to it that Mr. McCart's most favorable first impression becomes his fixed impression.

**O**THER returns from the Canadian precinct. . . .

P. V. Bymes, Hamilton, Ontario, says:

You are sending out the best magazine published on the continent, and you should receive every encouragement to continue along the lines you have established as the policy of the publication.

Mr. Bymes is covering a lot of real estate when he includes the entire continent in his survey, but we like it just the same.

**F**RED C. METCALF, Commissioner of the California Metal Trades Association, has this interesting suggestion to make after reading the article on the American Federation of Labor, in a recent issue of NATION'S BUSINESS.

Its (the Federation's) continuous program, both nationally and locally, is to set up organized labor as a power by itself, and to exempt itself from the operation of laws which are passed for the purpose of limiting organizations, corporations and individuals in the conduct of their business. They are endeavoring in every way possible to secure for themselves absolute freedom of action in prosecuting their campaigns, and bring about complete organization and domination of industry; and they will not brook any legal interference through the injunction, and will even go so far as to openly defy the authority of the court.

There are evidences practically every day of their defiance of the constitutional rights of citizens in such activities as strikes, picketing, primary and secondary boycotts, the publishing of blacklists and acts of violence which would not be countenanced by the authorities on the part of any individual or group under any conditions other than as a part of the activities of organized labor. The only solution of this problem, and the only possible hope for the salvation of industry, is for business men and business organizations to insist upon the American Federation of Labor accepting responsibility such as is imposed upon all other elements in the civic and commercial life of our nation.

**T**HE MERRY war against Babbitt goes on. Now comes the staid *Harper's Magazine* with a highly serious article entitled "What Babbitt Won't Talk About." The author welters in a sea of tears because the business man today won't sit down in the old grocery store, as his forebears did, and talk, to quote the author, "keeping alive an ancient American practice from which the institutions of the republic once drew a wholesome vitality."

The republic is on the broad road to the demnition bow-wows, according to our newest Babbitt-baiter, because the business man is afraid of the hard labor of thought. Instead his interests today lie in

Freudian smatterings, carburetor efficiency, correspondence courses in personal efficiency, new niblicks, world's series prospects, service-club engagements, and bootlegging intrigues. . . . What time has Al Johnson—rising young real-estate agent with a big ad- and sales-campaign on for Boosterburg Heights, and chairman of the Shrine initiation committee, and runner-up for the Country Club championship, and candidate for next year's Lion's Club presidency, and trustee of the First Methodist Church, and director of a new bank, the Y. M. C. A. and the municipal Boy Scout's organization—to be digging into questions of foreign exchange and



what the "frogs" and the "wops" can afford to pay us?

The reading of this wail brought us to the depths of depression and we doubtless would have been there yet had we not heard from a self-confessed Babbitt. He is Edward N. Hines, of Detroit, successful business man, father of the Wayne County roads, and active in every movement for community betterment. Says Mr. Hines:

I am a thirty-three degree all-around champion Babbitt. I am for a newer and better civilization through industry, and I am for it because this is the only way it will ever come, regardless of the expressed desire of the so-called intellectuals. I am for the man who works for himself and, while he works, finds time to take off his coat and work for the common good. For it is the Babbitts, the busy men of trade, who furnish the wherewithal to build and conduct the universities, the schools of the arts, the schools of the applied sciences, and all other institutions which advance the wisdom of mankind, and it is the Babbitts who take the output of the schools and place their young men and women at work where they can be, through honest effort, of real service to their fellows.

And the concluding sentence of Mr. Hines is a hard one for the most intelligent of the most intelligentsia to laugh off. He says, "The Babbitts have always won and they always will win, because the desire and the act are with them one and the same."

**THE ENGLISH** may have such a dwarfed sense of humor that they cannot see the funny side of themselves, but it does not keep them from making note of the humorous in others, including Americans. For instance, the *Manchester Guardian* gives space to a contributor, who says:

I have a special partiality for the engaging methods of advertisement employed by American undertaking and cemetery companies, and the latest which attracts me is taken from the columns of the *New York Times*:

#### "TO PROSPECTIVE WIDOWS"

"It should not be left to you to choose the family burial place. Then it is too harrowing, too tragic a task. Talk to your husband now while the choice can be made with light hearts and mutual hope. Apply," etc.

**LAW-BREAKING** is running law-making a close second as our biggest national industry. Witness our own capital city. Chief of Police Hesse reports that during the first three months of 1926 his men have made 27,689 arrests. At this rate, if the production keeps up, one citizen out of four, man, woman and child, will have felt the stern hand of the law by the end of 1926. A little concerted effort on the part of civic organizations and this showing could be made much better—one out of three.

**MR. R. B. HILL**, of the Los Angeles Railway, says that if highway congestion increases traction companies may find it profitable to build private roads for their interurban bus lines, possibly charging tolls for cars other than their own. A new idea until one recalls the toll-roads of a hundred years ago.

"**ALMOST** anyone who wants to make a speech or write an article for a magazine can get by with it if he jumps on the lumberman," writes a Seattle subscriber. He goes on:

Our old friend, Governor Pinchot, twenty-four years ago made a public statement assuring us that within twenty-five years the forests of the United States would have disappeared. He



#### MEMORANDUM

RAILROAD  
NEW YORK

PRESIDENT'S OFFICE

Please investigate and report to this office the number of employees in executive and semi-executive positions who are enrolled in the Alexander Hamilton Institute.

*This inquiry was sent to all departments from the executive offices of one of America's largest railroads*

## —and he thought no one was watching him!

**H**E IS a junior executive in a western office of one of the largest railroads.

It seemed a very long way from his desk to the president's—hard to believe that anyone in New York was watching him, or caring particularly what plans he made for his future.

One day came the memorandum which is quoted in substance above. It was a distinct surprise to the young executive; he thought about it after he reached home that evening. The next morning he sent a letter to the Alexander Hamilton Institute.

"If the Company thinks your course is a good thing for us and makes personal inquiries as to whether we are enrolled or not, it is time for us to sit up and show some interest in ourselves," he wrote.

There is a double significance in this incident. It is of interest first

#### To you, Mr. President

Do you know how many men in your organization are taking the Alexander Hamilton Institute Course? More and more big corporations are asking this question. In the Standard Oil Company, for example, 1,447 men are enrolled; in the United States Steel Corporation, 698 men; in the General Electric Company, 979 men. And among these numbers are included the names of the most important officials, as well as those of younger men who are on the way to executive positions.

If the biggest businesses in the country feel the supreme importance of executive training for their men, doesn't your business have the same necessity? Isn't it worth your while at least to get the facts about this Course which has grown steadily in favor with business leaders for seventeen years?

#### To you who are not a President

You are, let us say, between twenty-five and forty. You are on your way up. Perhaps you are in a big enterprise, and it seems sometimes as tho the

#### Alexander Hamilton Institute

In Canada: C.P.R. Building, Toronto. In Australia: 11c Castlereagh St., Sydney

When writing to ALEXANDER HAMILTON INSTITUTE please mention Nation's Business

men at the top were hardly conscious of your existence. Or perhaps the company is small, and the possibilities apparently limited. You wonder sometimes whether your hard work is really getting you anywhere. Is anyone watching you? Is there anything you can do to give yourself an advantage which other men do not have?

You can be sure of one thing—there is a search for all-round executives in this country, which grows more and more keen every year. There are department heads aplenty—men who know selling, men who know accounting, men who know advertising, or office management, or commercial law. But the men who know the fundamentals of all these are very few, and the demand for them is insistent.

#### Send for this famous book

The Alexander Hamilton Institute gives to men the equipment which modern business seeks most and for which the largest rewards are paid. It trains men to direct men; to understand the working of all departments—to analyze and decide.

Only a training which is authoritative and practical could have the indorsement of the men who constitute the Advisory Council of the Alexander Hamilton Institute. They are:

T. Coleman du Pont, the well-known business executive; Percy H. Johnston, President of the Chemical National Bank of New York; Dexter S. Kimball, Dean, College of Engineering, Cornell University; John Hays Hammond, the eminent consulting engineer; Frederick H. Hurdman, Certified Public Accountant and business adviser; Dr. Jeremiah W. Jenks, statistician and economist.

There is no mystery about the Institute. The whole story is down in a booklet entitled "Forging Ahead in Business."

We invite you to send for this book. Send whether you are a president, or a future executive. The book is sent without cost or obligation, and our desire is to have a copy in the hands of every mature and thoughtful business man.

#### This coupon will bring you the facts

Alexander Hamilton Institute

521 Astor Place New York City

Send me the book, "Forging Ahead in Business," which I may keep without obligation.

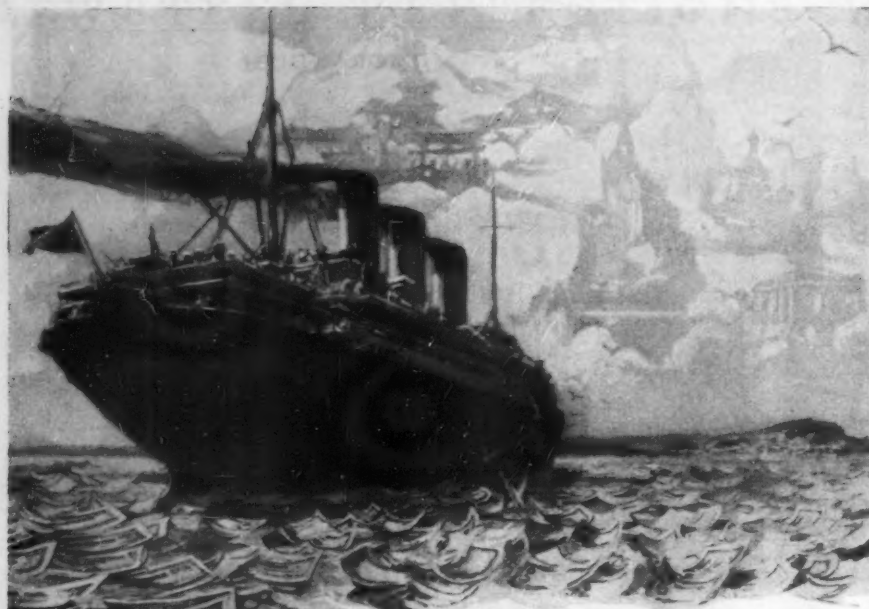
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## Over the Sea to the Lands You Long to See

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The Agent for the Member Banks for the payment of all  
American BANKERS Association Travelers' Cheques is

**BANKERS TRUST COMPANY**

NEW YORK

PARIS

LONDON

has one more year in which to go and, of course, has proven himself the picturesque alarmist. There is enough wood on this west coast by handling it the right way, to make it the basis of the permanent supply of lumber for the United States.

The fact is that lumbermen out here have been roasted and maligned so much that they have simply quit replying. You know where that gets anyone.

One lady reformer got up at a luncheon club here recently and told how the lumbermen were devastating the landscape; how she sat on the front porch summer nights and watched the forests burning. What the lady reformer was seeing was the fire warden burning slashings for the very purpose of preventing fires. The losses in forest fires over a period of ten years, I am informed by a large timber owner, have been one-sixth of one per cent a year. Big forest fires have been almost eliminated.

But it seems to have no popular interest to publish the fact that in every up-to-date logging camp there is a hygrometer which registers the humidity. The moment the air gets to a point of low humidity that is considered dangerous, the logging camps shut down and everyone goes on fire patrol.

Cut-over lands in Washington are reseeded themselves and it is estimated by forestry people that such cut-over lands produce three billion feet per year. The entire lumber consumption of this country is only 25 billion and there is eight per cent coming from denuded land, not to mention the natural growth of the forests.

COUNT that day lost  
Whose ambient air  
Brings not another  
Questionnaire.

BUSINESS is at heart honest. In the stress of competition it is sometimes forced into practices bordering on the line of reprehensibility, not out and out misrepresentation, but very near. These twilight zone practices are going, and going because business itself through its trade associations is doing the job.

The Department of Manufactures of the National Chamber reports that twenty-nine manufacturers of sheet steel have decided to discontinue making sheets used for roofing too light in weight to resist exposure for a long time.

The clay products people making hollow tiles who, under competitive stress, had reduced weights until the material was of doubtful value, have agreed upon standard weights as a guarantee to the consumer.

The metal lath people have adopted weight standards as a substitute for gauge standards. Under the old system, manufacturers could reduce the weight by enlarging the mesh openings.

Paper manufacturers are eliminating cut weights and short counts.

This new policy in each case was the result of voluntary action on the part of trade associations themselves, and in the willingness of the business man to join his fellows in a new code of ethics is seen a deep-seated desire to get rid of those trade customs which have stealthily fastened themselves onto various industries.

C. W. DIARMID, Mutual Finance Corporation, Windsor, Ontario, clips the initials, "M. T." from the last column of last month's "Spectacles" column and pastes it on a note which says:

Aren't you carrying it a little too far when you introduce Moral Turpitude into the editorial columns of NATION'S BUSINESS?

*M.T.*





Stock • Purchases • Production • Sales • Collections • Credits • Personnel  
Pay Roll • Customers • Service • Installation

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DUCO was created and is produced only by du Pont.

Its remarkable qualities of enduring beauty were first recognized as a new and preferred finish for automobiles.

Today, DUCO adds new values to toys — telephones — street cars — lamp shades — auto buses — tools — pianos — washing machines — radio cabinets — and hundreds of practical and decorative articles.

Thirty-three automobile makers finish their cars with DUCO.

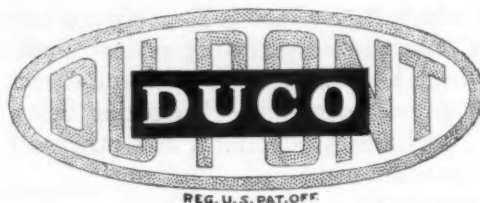
Nearly one hundred furniture manufacturers are creating the new DUCO-Period, of greater furniture beauty and efficiency.

DUCO is easily applied. It hardens almost instantly, and no elaborate drying equipment is required. Products finished with it can be shipped with greatly reduced danger of injury in transit.

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— it is Duco, the enduring finish. A competitor of yours has already found that Duco increases saleability of his product. Duco can do the same for *your\** product. Tear out the memorandum printed below, and dictate a letter to us.



REG. U. S. PAT. OFF.

★if your industry is  
included in this list:

Aircraft  
Automobiles and Accessories  
Bird Cages  
Cash Registers  
Electrical Fixtures  
Electrical Machinery  
Furniture, Wood and Metal  
Gasoline Pumps  
Metal Signs  
Office Appliances  
Pencils  
Pianos  
Radio Cabinets  
Railway Cars  
Street Cars  
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Toys  
Trunks  
Vacuum Cleaners  
Vending Machines  
Washing Machines

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*When writing to E. I. DU PONT DE NEMOURS & Co., Inc., please mention Nation's Business*





# Why Is Business Left Out?

*Booming Guns and Political Spellbinding Monopolize American History*

By FRANK R. KENT



EVERY little while it occurs to us to remember that government, international relationships, war and politics, are purely matters of business and that, above all, history, in its truest sense, is really a gigantic trade report covering thousands of years.

Today we are being reminded that nothing is more important than American business; that never before has business been so definitely in the forefront of all our national and international affairs; and that, therefore, the most important function of government is to protect and nurture business. This seemingly sudden importance of business is being talked about as though it were something quite new, but if any such philosophy is new, then the Medici are members of the New York Stock Exchange.

## Poor Understanding of History

THE TROUBLE with the average man's understanding of the place business affairs occupy in his country's government and history is that he has never been properly taught either business or history. Everything he has read, all the oratory he has listened to, the general tenor of the news dispatches upon government affairs which he has scanned—all have tended to give him the conviction, a superficial conviction probably, that all history and government have depended solely upon soldiers, politicians and statesmen.

I say it is probably a superficial conviction because, if you really shook the average man by the shoulder and said, "Come! Wake

Historians tell of the deeds of the Minute Man, but not of the economic injustice that sent him afield

up. Don't you know that, as a matter of fact, a business man of some sort really was the motivating force behind every important political and martial episode in the world's history?" he would blink and mumble, "Yes, of course!" But the chances are ten to one he could not cite you a single episode or give you a single story of a history-making business man.

It is all due, of course, to the way history books have been written and the way history has been taught. The historian, while essentially a chronicler of facts, has also been something of a romancer and a dramatist. He has felt the necessity of making his books readable and salable—and I would

add that the average school and college teacher of history has felt the necessity of making his lectures interesting and compelling if I hadn't found it so easy, in my youth, to sleep through most of them. However, there, ready to the historian's hand, were scores of dramatic, romantic, colorful personalities—the personalities of orators, politicians, statesmen—all fully equipped with anecdote, atmosphere and tradition.

## A Political Record

HENCE history is so largely a political record or a military record or both—at least the greater part of American history. Seldom does it throw upon the screen, in the proportions they deserve, the great and influential characters of American business; and this despite the fact that these characters really were as dramatic and romantic as any soldier or politician that ever

drew a sword or kissed a farmer's wife's baby.

Today, of course, the romance and drama in American business are being put, after a fashion, into our novels and our short story magazines; and our moving picture scenarios are full of them, although the stuff is the frothiest sort of fiction and has all the exaggerations and unreliabilities of frothy fiction. But so far very little of the real connected story of American business has crept into our serious historical works.

Therefore a very thrilling and very important story remains to be written about these United States; its history told in the terms of trade and finance; its romance chronicled in the talk of the counting room, the trading post and the shipping room, with the swashbuckling heroes of armies and navies thrust back into the dark corners where they belong for a time, and the windy strophes of political orators and shaggy statesmen heard only dimly as a faint obligato.

### A Chronicle of Thrills

**THE STORY** of the beginnings and development of railroading in the United States would outstrip almost any other historical chronicle imaginable in adventurous thrills alone, to say nothing of its superior merit as a light upon the real characters of the Americans of those days. Yet we search through a two-volume history of the United States edited by historians of unimpeachable authority and, concerning the beginnings of the romance of railroading in this country, we find the following thin comment:

In 1828 the first spike was driven in the Baltimore and Ohio Railroad by the venerable Charles Carroll of Maryland, the last surviving signer of the Declaration of Independence; and three years later a locomotive was hauling cars over a railroad in South Carolina. Within twelve years over two thousand miles of railroad were in operation.

That, in two large volumes, is the sum total of the discussion by these historians concerning the first decade of railroading—railroading that hastened the nation's fullness of power more than any other single influence, that effaced wilderness and created civilization almost between darkness and dawn—without which, indeed, our national history might still be a history of scalplings and buffalo hunts. That pair of meager sentences buried in the middle of a paragraph is their idea of the complete story!

Yet for three and one-half pages these same historians talk in the next chapter about how Andrew Jackson startled the country when he became President by firing from their old jobs in Washington a large crowd of government clerks!

Another historian gives us a passing glimpse of American business romance in the chapter with which he ushers in the first administration of Monroe, and the man who thirsts for a business man's history gives a start of joy. He reads eagerly that the approaching end of the War of 1812 found the United States fairly well launched upon its first era of manufacturing and industry. Commercial and trade restrictions had cut off the nation's supply of manufactured articles from abroad and we were driven to manufacture some of these articles ourselves. "Mills, factories, foundries and ropewalks

sprang up," we are told. State and federal governments offered premiums to encourage home industry. Societies were organized for the purpose of fostering American manufactures.

The members of one such group pledged themselves to wear only home-manufactured garments, no matter what they looked like.

But just as the story begins to grow really intriguing this historian announces that, with the end of the War of 1812 and the lifting of embargoes and blockades, British imports again began to flood the country and the fight

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**FRANK KENT**, capable newspaper correspondent and observer, whose opinion and comment is widely known and highly valued, is a student of history.

His research has impressed him—as it has many others—that historians slur over the most important factor in the making of a people, the industrial factor. They play Hamlet with the Hamlet left out. The historian has cast the captain of infantry and not the captain of industry as his hero.

Mr. Kent cites the case of Pittsburgh. A well-known history of 1,100 pages mentions Pittsburgh in but five instances.

One tells of a colonial battle, two others of political conventions, a fourth of a Presidential address and the fifth tells of a riot. Not a word of the mighty drama of industry; not a word of Pittsburgh's annual contribution of two and three quarter billions to the prosperity of the American people, and its part in shaping national destiny. A few of the high lights of this story, about which history is silent, are sketched on page 74 of this issue.

Pittsburgh is but typical of many American cities, whose real stories are missing from the books of chronicles.

Our historians are birds with but one wing.  
—The Editor

---

for a protective tariff began. From then on the story of infant American business is shrouded in the story of American politics and tariff policies.

### Pittsburgh, City of Romance

**PITTSBURGH**, one might think, would be irresistible to the historian who really wanted to produce a work that quivered with typically American life. In Pittsburgh he would find the whole story of steel, a melting-pot business epic, a virile, he-man romance of purest United States serenity. But look this 1,100-page history of our country over, and what do we find about Pittsburgh? We find these things:

First, on page 191, that in 1757 the name of the city was changed from Fort Duquesne to "Pittsburg," after the English defeated the French garrison in the fort and captured the place.

Second, on page 621, that the Free Soil Party held a national convention there in 1852 and nominated for President and Vice-President two men who straightway sank into oblivion and never were heard of again.

Third, on page 653, that the Republicans held their convention in the city in 1856.

Fourth, on page 706, that Lincoln spoke there on his way to his first inauguration.

Fifth, on page 919, that in 1877, millions of dollars worth of property were destroyed in Pittsburgh in the railroad strikes that year. Thus has one historian written of a business city.

Thus has the average American historian shunned the historical possibilities of American business.

What will we get when we get the real story?

Nobody knows.

But perhaps we should be interested if we knew more definitely, for instance, just what our first treaty with a foreign power meant—

our treaty with France negotiated by Benjamin Franklin, Silas Deane and Arthur Lee in 1778. Today we know little of it except as an event in diplomacy, but it is significant that this first treaty entered into by the United States was a commercial or business treaty and not a treaty of military or political alliance.

The things that historians tell us immediately ensued are of vast interest to the student of international law and of diplomacy. But what did the business men of that day think, do and say about it? On this the historians are silent.

### What Did Business Do?

**WHAT**, indeed, were our business men thinking, doing, and saying about anything through all that post-war period when the new country was trying to find its feet? It is quite evident that they were doing something. Our foreign trade was sufficiently brisk and important to make other nations jealous of us, yet the average man's impression of our great business war with England is an impression made up of battle images—Perry at Lake Erie, press gangs, the burning of the Capitol at Washington, Francis Scott Key and "The Star Spangled Banner." He knows little or nothing of the fortunes that turned upon battles, of the risks and chances our big foreign traders took, or who our big foreign traders were, of the cargoes they shipped into the very teeth of the struggle, or the returning caravans they waited for while the guns of the fleet roared and the armies' muskets rattled.

Thousands of early American dollars must have been won and lost then as with the turn of a hand or the cast of a die—nay, indeed, have directly precipitated a score of sanguinary battles. Yet out of it all only the stories of the battles have lived, with the generals and the admirals and their heroic deeds and slogans, and little, if anything, has come down to us of the ebb and flow of American finance and fortune behind the fighting and talking. Just as we are about to hear it, Congress begins debating about protective tariffs and the historians dash for the House and Senate press galleries; so we have to listen to debates.

But what a tale that chronicle of fortune will make when someone finally tells it! Through the smoke of battle and the dust of political wrestling, we get just enough of a glimpse of the story of American business to know that it will be a wonder of its kind.

For instance, when the aforementioned Andrew Jackson became President in 1829, there were, according to many historians, just three millionaires in the country—Lawrence of Boston, Astor of New York and Girard of Philadelphia. Today, when a



New York chorus girl can hardly throw a paper rose at an audience without hitting a fresh-grown millionaire, people would like to know how those three big pioneer butter-and-egg men made their money; why making money was so much more difficult then than now, if it was; whether it was harder to spend; how they kept it, what they did with it, their "public relations," their current reputations, how they did business.

### Six Millionaires

BY 1834 there were at least six millionaires in America—Alexander Brown of Baltimore, and Stephen Van Rensselaer, Stephen Whitney, Anson G. Phelps, Peter G. Stuyvesant and Peter Lorillard, all of New York.

Why were most of the early millionaires clustered in or around New York? How did one of them get to Baltimore, and why? What was the influence of these men upon the country? How, in brief, did they get and stay that way?

Only the most superficial reading of the political and military history (which is almost the only history) of the United States is needed to convince anyone that the Americans who did business successfully through the War of 1812 and the Civil War, in the days before the telegraph, the telephone, the fast train and the fast boat, were not only the gamest sorts of adventurers but rare types of heroes, and that they deserve something better at the hands of the writing men than comparative oblivion.

### Risk of War

WARS lay just around nearly every corner, yet they laid their plans and risked their money and goods with calmness and fortitude.

Pirates roved all the seas, yet American merchants armed their little ships and sent them forth full of merchandise to get around the world and bring back the money or its equivalent as best they could.

News took weeks to travel; information was slow in coming. You never knew what Congress had done until a week or two after it had done it; no corps of correspondents waited in Washington to flash news about acts of the President, decisions of the Supreme Court, or policies of the Treasury Department which might have vital effects upon the world of commerce and business.

Yet the business man of that day had to know those things—they were just as important then as they are today. Or he had to guess them or depend upon an instinct or a sixth sense.

Somehow he got what he wanted; and the story of how he got it, if such a story exists and is capable of discovery, must be the most thrilling historical narrative yet unrecounted. It may not exist in any form capable

chronicle of American business except the business records—the letters, contracts, account books, and so on, of the men of those days—very dry stuff probably.

Their personal feelings, hopes, fears, sense of adventure—all would be lacking, because it is unlikely that the American business man of that day reduced those things to writing any more than does the business man of today. A few of them have done it, or at least have left, in their business letters, clues of their own spirit and the business spirit of their times. Alexander Brown, the first Baltimore millionaire, was one.

### A Prophecy

READ this single sentence from a letter of his to George Brown, dated Baltimore, 29, 1812:

If the *Armata* gets safe to Lisbon and home again, not being insured, we cannot make less than 60 or 70 Thousands Dollars by this year's trade.

Yet, until recently, that simple prosaic sentence deserving of immortality, has been hidden for 125 years in a musty letter-book, and about the only line anyone remembers commenting on the War of 1812 is "Don't give up the ship!"

But how many more did what Alexander Brown did, in such a way that any word picture of them or their times, printed today, would be historically accurate as well as thrilling? Apparently not many left such fragments; or historical writers have not cared to take the trouble to look for them.

Yet the business history of America must be written. We are not, and never have been, a nation of great diplomats.

We have had some great soldiers, but ours is not a war history; we have had much more peace than war.

### A Few Statesmen

WE HAVE had some great statesmen, but they seem of much greater stature to us than to the people of any other

country, perhaps.

Probably many of them were only tin-pot statesmen after all.

But there never has been anything tin-potty about the history of American business, and the whole world knows it.

It is for our wealth, our commercial ability, our power in trade and industry that other nations respect us. When the rest of the world reads our history it wants to read the history of our development of those things. And that is the history someone should write.



History, to the business man, is an alternate account of fighting and talking, shooting and speaking

of interesting transference to the language of the average reader of history. Since the story would deal with prosaic mercantile affairs it would have to be extremely accurate.

### Romance Springs from War

THE STORY of war or politics lends itself to romancing and imaginativeness; accuracy is important but not of paramount importance. Little basis could exist for the

# Where the Life Insurance Dollar Goes

How Much the Company Puts By for Death Claims and for Safety

By WALTON L. CROCKER

President, John Hancock Mutual Life Insurance Co.

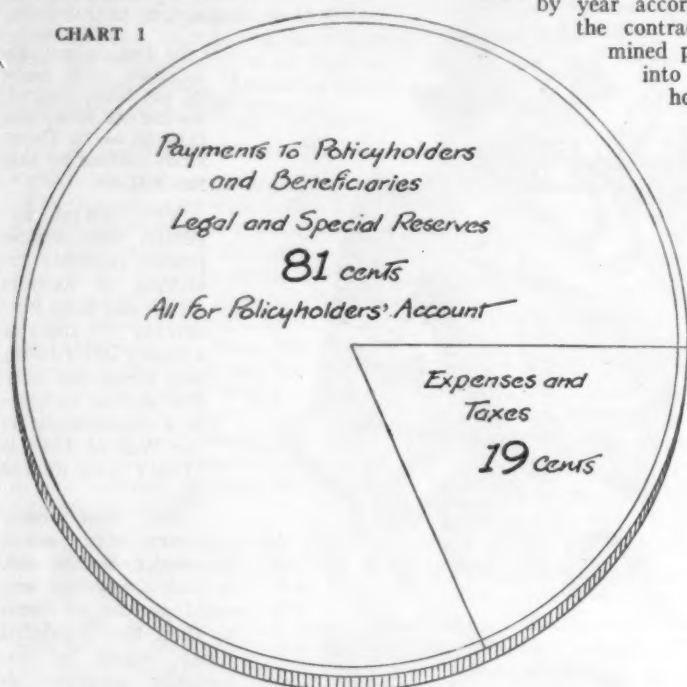
**T**HE EDITOR of NATION'S BUSINESS desired information, also he wished to pass the information on to his readers. The precise origin of the editor's thirst for knowledge is veiled in mystery. Equally inscrutable is his choice of informant. But both considerations are beside the point.

technical description. This means a plan by which, for an agreed-upon price, an insurance is granted for any amount or form or length of time desired, beginning at the minute the policy goes into force and continuing through life if so agreed at the outset. The cost to the policyholder either remains at the same figure annually or is reducible year by year according to the nature of the contract. The predetermined premium written into the policy, however, is

from increasing with advancing age and its accompanying heavier death rate.

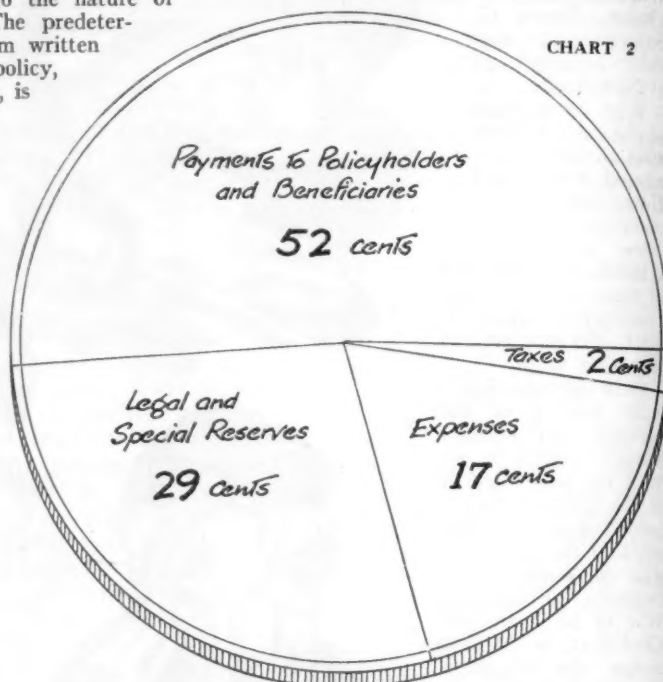
In other words, it averages throughout the life of a given number of policyholders what would otherwise inevitably be a constantly increasing cost, due to the increase of death claims. How this is brought about would involve us in a maze of technical descrip-

CHART 1



The "Ordinary" Life Insurance Income Dollar of the leading companies in the United States as it appeared for the year ending December 31, 1924, showing its two major uses.

CHART 2



The "Ordinary" Life Insurance Income Dollar in the leading United States companies, 1924, showing its four principal characteristic divisions and uses

Clearly ours here is not to reason why. The requisition from the sanctum upon us for a comprehensive yet condensed article, in nontechnical language, upon the above-indicated general theme, must be filled. Whoever heard of denying an editor?

\* \* \*

**O**BVIOUSLY such a story must be told in bulk; its details and natural terminology must be largely discarded, and its basis would best be the aggregated history of the leading life insurance companies in a given year.

We give you then the history of what we might call a composite life insurance dollar in 1924 in its general outline. At this time the data for 1925 cannot be ascertained; but while the figures of that year will show even better economic results, no doubt, for life insurance is making progress every day, 1924 will suffice for illustrative purposes.

We are here considering scientific life insurance, that is, "level-premium, legal-reserve life insurance." That is its full

in all cases a maximum charge on the policyholder and can never be increased.

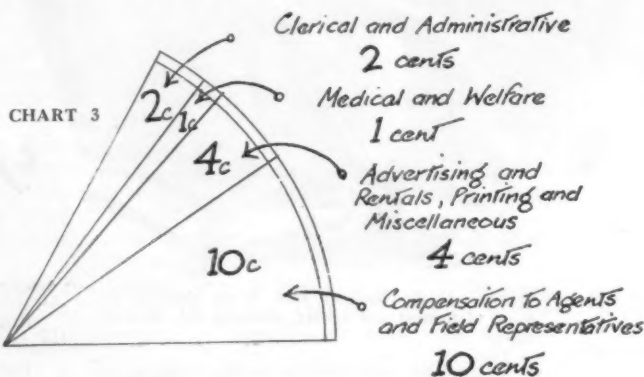
That explains why it is called "level premium," and the reason that it can be

tion which the editor would be justified in blue-penciling. So we do not attempt it.

The principle is recognized by law in every State of the Union. The basic table of mortality and the minimum assumed rate of interest to be earned on the reserve, forming a part of its accumulation, are prescribed in the statutes; hence the term "legal reserve."

## What Reserves Mean

**T**HE LIFE companies do not keep any illegal reserves, as might be inferred from the term "legal" as here employed, but in addition to the legal reserve, or as it is sometimes called the "reinsurance reserve," they do very properly maintain special reserves from year to year against all incurred debts payable in the ensuing year or at some later period, as well as those which like taxes are bound to be certainties, whether already incurred or not. Indeed they are strictly held to the observance of this practice. Besides, they must always, of course, hold a surplus of assets for contingencies, though the amount of surplus is not regulated by



The actual expense portion (17 cents) of the 1924 dollar in chart 2 showing the principal classes of expense

kept level is found in the "legal reserve."

A substantial part of every such premium is a sinking fund called the "reserve." The accumulation of the reserve, aided by interest, keeps the annual cost to the insured



law save as to its maximum. These things must all be provided out of the premiums and the interest.

Broadly speaking, the whole asset account of a level-premium legal-reserve life insurance company is a reserve. But the "legal reserve" is a minimum mathematical quantity fixed by law, which must be maintained and increased year by year before any other reserves may be set aside out of the assets.

Moreover, the legal reserve, the keystone of the whole system, forms by far the greater part of all life insurance assets.

This brief description shows how life insurance assets mainly arise. Later on, we will show how these funds are invested, as they must be in order to perform their function as reserves.

The life insurance dollar of income, which the editor desired to know about, and which we shall at this point consider, is of the "Ordinary" or "Annual Premium" variety. The "Industrial" or "Weekly Premium" dollar should not be and is not analyzed here, as it belongs to a separate sphere, subject in many important phases to wholly differing circumstances and rules.

First we show the dollar in simplest form. (Chart 1.)

This graph shows where the cost is, where most of the dollar goes. Old Mortality is responsible for the largest item of it, as will later be more fully shown. Death claims have always been, always will be, the great charge on the surviving policyholders.

Next we show it in a trifle more of detail. (Chart 2.)

Here we see that payments to policyholders and their beneficiaries equalled fifty-two cents, or more than half the dollar, death claims being by far the largest single item. Additions to the necessary reserves absorbed twenty-nine cents out of the remainder, management expenses seventeen cents, and taxes two cents.

#### Considering Average Cases

OF COURSE, it will be remembered that these figures are averages. The companies included transact eighty per cent of all the life insurance of the country. The above-stated items vary with the different companies, but the figures, which are derived from the aggregates, are truly representative of the disposition of the life insurance dollar shown.

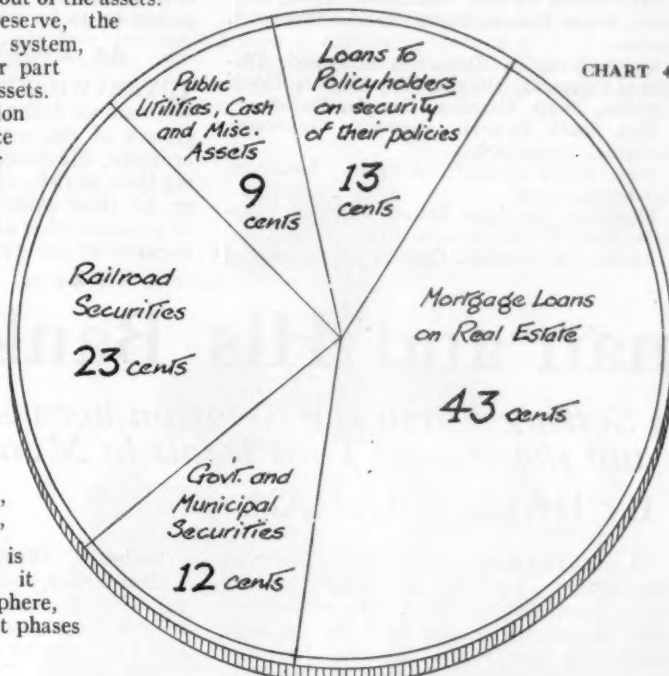
We show separately the outgo item of life insurance taxes (two cents) because it is in no sense management expense and because it has no other place to go. No insurance company has the slightest control over taxes. They are as inevitable as death and death claims. They are thrust upon the companies, which means the policyholders.

For these reasons they cannot be justly labelled as management expense, by which is implied something responsive to business judgment. We include with taxes the item of fees charged for various services by the states, for the reason that the great bulk

of it is actually a tax, inasmuch as only a small part of the fees paid is estimated to cover the cost of state supervision.

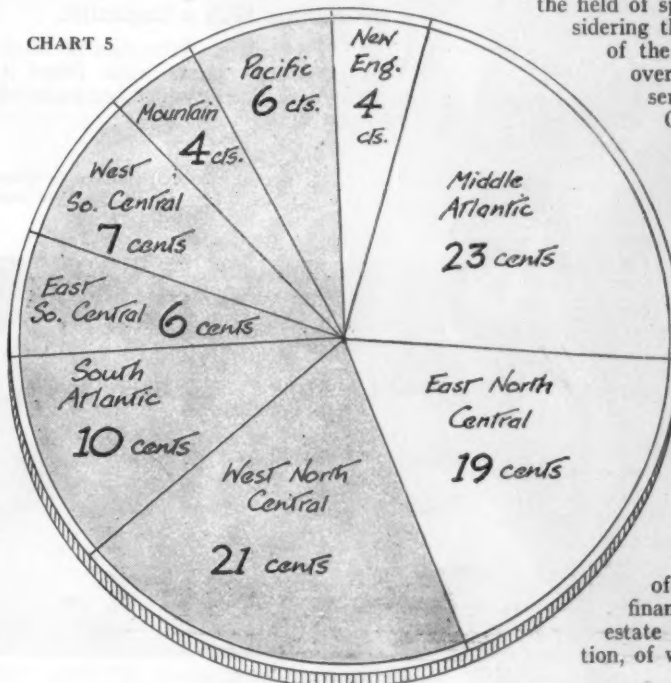
Let us now see the minor factor of management expense subdivided on an enlarged sector of the "Ordinary" insurance dollar. (Chart 3.)

So of each "Ordinary" dollar received, two



The aggregate life insurance dollar as invested at the end of 1924, showing the principal items of the total investment

CHART 5



The shaded sectors indicate groups of states where the computations show that the aggregate investment is larger than the assets attributable to the insurance in force in such states. In other words, groups of states included in the shaded areas receive somewhat more investment money than they contribute, the difference varying with each separate state

cents went for clerical and administrative salaries, one cent for medical service and welfare work (including health service to policyholders and employes), four cents for advertising, rentals, printing and stationery,

furniture, telephone, telegraph, traveling and other miscellaneous items; and ten cents for compensation to agents, managers, and other representatives in the field for soliciting and procuring of applications, delivering policies, collecting premiums, and performing the thousand and one duties incidental to the arduous and exacting field of life insurance agency work.

Such is the outline of the typical Ordinary life-insurance dollar of 1924 in its insurance aspect; that is, how it was spent or saved to be spent hereafter according to need. Necessarily in such an account there must not be expected the refinement of detail or description as might be if our time and your time and the editorial allowance of space were unlimited. But we shall be satisfied if the general impression received is clear.

Of the extent of the social service afforded by the life insurance dollar as a stabilizer in family life we can take no note here as being outside our scope. It is, moreover, too well known to need re-emphasis.

#### Funds Re-serve Financially

NOW, turning to the public service performed by the funds of life companies in the financial field, we show in its grand total the invested life insurance dollar as it stood at the end of 1924. In other words, we show the aggregate investments of the life companies representing approximately ninety per cent of the business in the United States.

We use for our purpose the compilations made by the Association of Life Insurance Presidents. (Chart 4.)

Life insurance invested funds in the United States, totaling close to ten billion dollars, are widely distributed and very usefully employed. They go not at all into the field of speculation, as is right, considering the solemn fiduciary nature of the trust, but are being used over and over again in conservative upbuilding.

Of the real-estate mortgage loan above shown, nearly one-half is on farms all over the country but more largely, of course, in the vast food-and-staple-producing areas.

The weight of the remainder of the mortgage loan on real estate is found, naturally, in the more thickly populated sections. A considerable part of this loan is on the homes of our citizens. Very active is this co-operation in the problem of housing. So, too, in the financing of other sound real estate enterprises, of transportation, of works of public utility and institutional progress, the invested dollar of life insurance policyholders is a silent, and we may say, effective partner.

The average rate of interest earned on the sum total of the invest-

ment is conservative. It varies slightly with general conditions, but on the whole approximates five per cent. The Insurance Year Book of the Spectator Company shows the interest return of eighty-one companies in

1924 on their mean invested assets, as 5.38 per cent, and for the period from 1905 to 1924 as 5 per cent. The eighty-one companies, be it noted, transact nearly all of the nation's life insurance.

#### The Central Ideal of Service

COMPETITION is keen in interest rates as in matters of liberal and speedy service relating to loans, and that fact is but a reflection of the central ideal of the entire insurance service of these companies. It is clearly perceived that the welfare of the institution as now embodied is dependent on public good will. That means fair play and good service in all that is undertaken by companies in the performance of their mission.

For our final diagram (Chart 5) we show the invested dollar of life insurance in its geographic distribution. The geographic divi-

sions used correspond with those used by the United States Bureau of the Census and are as follows:

New England: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut.

Middle Atlantic: New York, New Jersey, Pennsylvania.

East North Central: Ohio, Indiana, Illinois, Michigan, Wisconsin.

West North Central: Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas.

South Atlantic: Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida.

East South Central: Kentucky, Tennessee, Alabama, Mississippi.

West South Central: Arkansas, Louisiana, Oklahoma, Texas.

Mountain: Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada.

Pacific: Washington, Oregon, California.

Thus, in imagination, each one of us may see his own life insurance dollar helping to grow a field of wheat in Kansas or of corn in Iowa; buying or clearing a new piece of land; or maybe helping to haul a train-load of produce over the plains to the industrial region in the East, or bringing back from thence a return load of manufactures; or killing a boll-weevil, and after the slaughter is over and the crop gathered, carrying the cotton on to be woven into cloth.

#### An Ever-Working Dollar

EVERYWHERE can be found the life insurance dollar at work, helping along the growth of the nation; fifty million people or more, life insurance policyholders, lending their wealth, which they have thus stored up for their individual economic protection, to promote other and more general economic pursuits of our country.

## Everyman and His Bank

### *Beginning a Series Setting Forth the Relation between the Business Man and the House That Deals in Money*

By DALE GRAHAM

LUCIFER SMITH had learned to hold his tongue when the occasion required it. Twelve years of experience as a salesman had taught him that pieces of one's mind flung promiscuously about during an unsatisfactory interview merely aggravate matters. This had saved George Judson from the wrath Lucifer turned loose that evening to his long-suffering spouse.

"Of all the nerve!" A sharp bang

"I went to George Judson with a business proposition. I offered him ample security for a loan, with a better rate of interest than he can get at the bank or on most bonds, but that wasn't enough. He must have a share in the ownership of the printing plant I've worked so hard to get hold of. And I thought he was a friend of mine!"

#### He Admits He's a Capitalist

"WELL I'll declare. Who does he think he is, dear?" Mrs. Smith found it politic to agree with everything her husband had to say.

Mrs. Smith put in a timid question. "Where are you going to get the money to buy the business, then?"

"Where? Why, I'm going to do what I should have done in the first place: go to the First National. As little as I like to borrow from banks, that's what they are for, and I'm going to use one of them."

The austere Corinthian columns of the First National Bank occupied a prominent corner in the downtown district and as prominent a place in the esteem of the public.

Lucifer kept his checking account there. Surely he was entitled to draw on this reservoir of credit.

Lucifer was



PHOTO BY H. LAZARNICK, N. Y.

of a coffee cup—one of an expensive set—not only frightened Mrs. Smith for its safety, but attested the sincerity of Lucifer's outburst and emphasized its importance.

"Who does he think he is? You'd be surprised. He's George Judson, capitalist. Capitalist! He admits it; says he works with his money the same as I work at selling; says he's got to get more than mere interest. He probably thinks he is going to get a fat share in the Climax Printing Company just for furnishing a little money temporarily."

Mrs. Smith put in a timid question. "Where are you going to get the money to buy the business, then?"

not awed by banks, though his dealings with them had been confined to depositing his salary and commission checks twice a month, and drawing small checks twice a day. Why should he be afraid of even a big bank like the First National? He had a legitimate business proposition and it was the institution's duty to make him a loan. As he had said, what else were banks for?

The kindly assistant cashier who always phoned Lucifer when his account was about to be overdrawn was the first to be ap-



proached. To him, the proposition sounded fine, but he couldn't pass on a forty-five thousand dollar loan. It would be necessary to see Mr. Martin, the senior vice-president; into his restful sanctum Lucifer was ushered.

Vice-president Martin was a smiling little man behind a big mahogany desk. His greeting seemed auspicious.

"Mr. Martin," Lucifer began, "I've been a customer for years, and I've never asked for a loan."

"Well, that's what we are here for—to grant loans to customers whose business and responsibility justify credit."

This was reassuring. Lucifer felt that he, of all people, justified credit.

"Well, Mr. Martin, you are familiar with the Climax Printing Company?"

"I am. In fact, we have solicited the account a number of times. That's old man Fuller's company, isn't it?"

"Was, Mr. Martin, was; not is. It's mine now. Anyhow it will be mine as soon as my financing is completed. That's why I am here. You see, old man Fuller has been sick for almost a year. While he's been in Florida, I've not only had to look after my job as sales manager, but practically run the plant as well."

"Well, Mr. Martin, I couldn't see myself doing all that work for the benefit of Fuller's heirs. I threatened to quit. Knowing that I controlled most of the business, he agreed to sell out to me at a low figure."

"What figure, Mr. Smith?"

"Fifty thousand dollars, and the plant's worth a hundred."

"Yes—if it's operated."

"Of course it will be. Now, what I came to see you about, Mr. Martin, is borrowing the money—that is, all but about five thousand, which I have saved. I need forty-five thousand dollars."

"Does Mr. Fuller insist on all cash in the transaction?"

"Yes, all cash if he sells for that price."

"Is the Climax Printing Company a corporation?"

"No, old man Fuller owns it lock, stock, and barrel."

"Have you thought about taking someone in with you, dividing up the ownership on some equitable basis?"

### Lucifer's Indignation Rises

LUCIFER'S indignation began to rise again. "That's the proposal George Judson made. I went to him first and asked him to lend me the money, since he has always been a customer of the plant and a good friend of

mine, but he wasn't willing to make a straight loan! He'd have to have a lot of the stock. Can you beat it? Now, I am the one who engineered the purchase of this concern; I am the one who controls the business; I am the one who will have to build it up."

### Needs Temporary Financing

"I'D BE a fine dumbbell to take anyone into the business permanently, when all I need is temporary financing."

The little banker squirmed in his chair.

"Is it your idea that the bank should

a paper knife. Then he leaned forward in his chair. "Mr. Smith," said he, "I'm going to do what is best for you—"

"Yes, sir," beamed Lucifer Smith.

"—and that is refuse you this loan."

Lucifer's jaw sagged. His face went from red to white two or three times. "Refuse it!" he repeated weakly. "Refuse a \$45,000 loan on a \$100,000 plant."

"Yes, and I want you to understand why. Such a loan would be poor business for you and the bank would have to break the law to make it. Now as to the plant—it might be worth a hundred thousand dollars—if it's operated, and by you. Probably the mere machinery, if it had to be moved from the upper floors of the building, wouldn't be worth twenty thousand. Is that right?"

"Yes, but the plant will be operated."

### What Security Value Means

"BUT, AFTER all, Mr. Smith, the value of our security would depend upon something that is a probability, but not a certainty. So aside from the twenty thousand our security wouldn't be much greater than your personal guarantee. Don't you see?"

"No," said Lucifer with some heat, "I don't."

Again, the little banker twisted in his chair.

"Well, Mr. Smith, if you will permit me, I should like to point out a few things concerning bank loans that you don't

Capitalists as a class annoyed Smith, though he had seldom thought of them except in a vague sort of way. Gouging a big share of profits seemed to him to be their chief end in life.



PHOTO BY N. LAZARNICK, N. Y.

furnish the money for you to buy a printing business?"

"That's precisely my idea," smiled

Lucifer. "You banks advertise service; talk about how you finance industry and build communities. Now here is a fine chance to help build a big business. The Climax Company, under my management, will make the rest of 'em set up and wonder what went by. There are a lot of big contracts I can get if I made the prices, and I intend to make them."

"Have you any security to put up on such a loan?"

"Why certainly, the printing plant. What more would you want than a hundred-thousand-dollar business for a forty-five-thousand-dollar loan?"

The little banker gazed out of the window a minute and tapped the desk blotter with

seem to understand. First, the secondary or collateral security a man pledges with a bank to back up his personal credit should be of a character that it could be relied upon even though the maker of the notes should die or become insolvent. Take a pledge of securities—bonds or stocks—for instance, or a mortgage on real estate. Such things could be relied upon even if the maker's financial responsibility became impaired.

"Now what you offer to do, Mr. Smith, is pledge something that depends partly for its value upon your continuing to operate it. Don't you see that in case of any default by you, we would have to try to dispose of the plant for whatever we could get?"

"Well, it would be worth forty-five thousand dollars of anybody's money."

"Perhaps so, but only if someone were

found to buy the business as a whole. I think we agreed that the equipment, if it had to be moved out, wouldn't be worth over twenty thousand.

"Now there is one thing, Mr. Smith, a well-established rule of economics as well as a matter of law—banks can't make capital loans. By capital loans, I mean advances of funds for permanent investment in a business. In other words, a commercial bank can't go into a man's business as one of the proprietors."

"I don't want the bank in my business as a proprietor. That's what I've been talking about."

This remark made the vice-president smile.

"What I meant to say, Mr. Smith, was this: If the banks were to tie up their assets in loans to buy plants, machinery, and permanent investments of any kind, there would not be sufficient credit available to meet the temporary demands commercial banking institutions are intended to meet."

"The real purpose of bank credit is to carry business through the cycles of production and marketing. For instance, a man may own his own plant and have considerable working capital. With what ready cash he has, he can do a certain volume of business. Now, by borrowing a few thousand dollars from his bank for sixty or ninety days, he can run more raw material into his plant and more finished goods out of it—and be able to pay the bank at the end of the short period. In your own case, it might be that you would get an order for a big catalog. The job might require a vast amount of paper stock, and take two months to complete. Well, there would be a proper basis for borrowing from us."

#### Ability to Pay Depositors

"HERE'S another angle: The deposits held by the First National, and for that matter by all commercial banks, are mostly demand deposits—that is, they are subject to immediate withdrawal by customers. For that reason we must always be prepared to meet on short notice, withdrawals of a large part of our deposits. If this bank were ever unable to pay depositors on demand, it would be closed by the United States Government. That's why our loans are for short terms—sixty or ninety days."

"A bank owes a duty to its depositors to keep its assets quickly available, or, as bankers call it, in *liquid* form. So it is apparent that in determining whether a loan shall be granted, the bank must consider not only the borrower's ability to pay eventually, but his ability to pay quickly. Applicants for loans might have unquestionable assets and most brilliant prospects; yet, if the assets were such as could not be turned into money on short notice—printing plants, for instance—the bank might be placed in a serious position before collections could be made."

"So you see, no bank can afford to tie up its depositors' money in long-time investments, no matter how sound or how promising they may be. On the other hand, no man buying or organizing a new company can afford to depend upon short-term financing—to depend upon money he may be called upon to pay back in sixty or ninety days. He must get his funds through the issuance of stocks and bonds, not from bank loans, and—"

Lucifer couldn't stand any more.

"Why, Mr. Martin," he interrupted, "what you're saying might get by some people, but I happen to know that banks do make long-time loans on plants and even real estate."

And I know men who have borrowed money from banks to go into business. Why don't you come out and admit you won't make the loan because I'm not one of the big money grabbers? The way you money barons stick together is a crime!"

The banker met this unflinchingly.

#### Real Estate Loans Restricted

"NOW, just a minute, Mr. Smith. No doubt you are correct in saying banks sometimes make real-estate loans. But institutions that make such loans are principally trust companies and state banks, with large savings or time deposits. National banks are more essentially demand-deposit banks, and restrictions are thrown around their loans on real estate."

"Furthermore, there is no real estate involved in your proposition. Banks seldom, if ever, make long-term loans on plant equipment and the like."

"As to the other men you know who borrow money to go into business, I think you will find that they either put up marketable collateral or were of such strong financial standing that the bank could collect the money any time it needed it. Perhaps, if the men themselves were not financially strong, they had endorsers on their paper who would have been able to pay on short

notice. But the loans, if I am not mistaken, were nearly always for short terms."

"Now I suggest that you get some good man of means to go into the business with you and incorporate."

"There are a number of capitalists" . . . "Capitalists!" Lucifer groaned. "These capitalists step in and clean up all the profits from other people's work. That's what George Judson calls himself, a capitalist! Parasites would be a better name for such people."

"Well, now, Mr. Smith, the capitalist has a place in civilization. He makes money but he risks money—it works both ways. If a man is willing to invest his money in a proposition that involves some risk, he is entitled to more than five or six per cent interest, isn't he?"

#### A Basis For Partnership

"YES, he is entitled to something, but where would I come in? He would furnish forty-five thousand; I would furnish five. He would get nine times as much out of the business as I would and I would do the work."

"I don't believe you have just the right conception of this," he answered, addressing the remark more to a freshly lighted cigar than to Lucifer. "You and the others—it always takes three to incorporate, though one of them could be a 'straw man'—could divide up the stock on any basis that would recognize your value to the company, the fact that you hold the option to buy, and that the success is going to depend largely upon your efforts."

"Even though George Judson, for instance, were to put up forty-five thousand and you only five thousand, you might divide the stock equally. Then, you see, George would furnish the money, while you would furnish the hundred-thousand-dollar plant for fifty thousand and the ability to run it successfully. The main idea is that the fellow who puts his money into the thing has a chance to make some real profits from the business."

"If you couldn't find anyone to make an equal distribution of the stock, then you might make some kind of a contract whereby you would have the right to purchase it in the future at a designated figure that would guarantee your associate a profit to justify his playing ball with you. Banks can't take such risks and don't want such profits."

"Oh," said Lucifer Smith thoughtfully.

It was not fifteen minutes later that George Judson's telephone rang.

"That you, George?" came over the wire.

"Yes, Luce, what is it now?"

"I want to beg your pardon about scoffing at your 'capitalist' lingo. I've decided to take you into the Climax as a partner or a fellow-stockholder, or whatever you want to be. All I ask is that you be reasonable. I'll be right over."

#### The Business Man and his Banker.

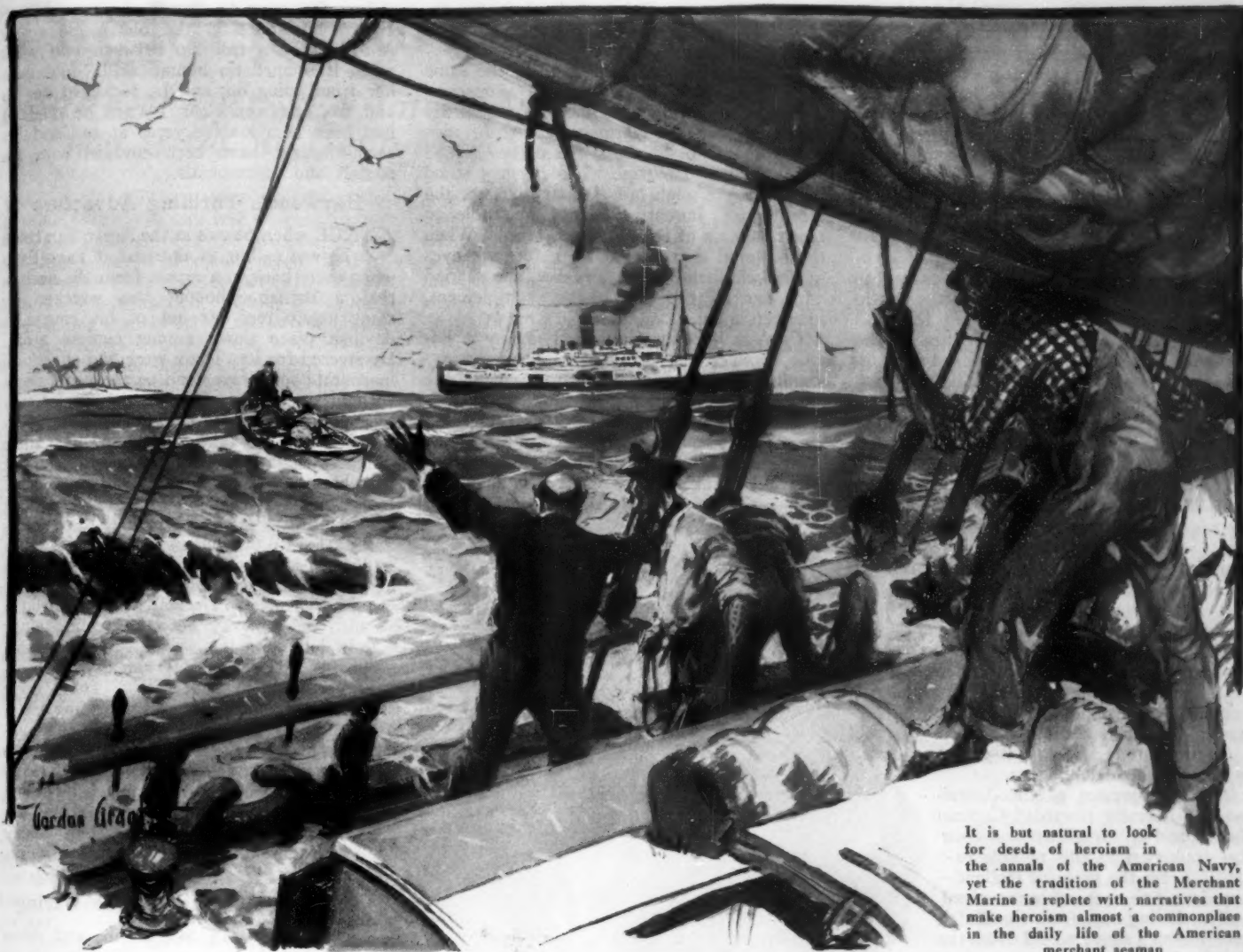
On this relation depends the progress of commerce and the life of business. It is an intimate relation. Each performs a distinct service, and each depends on the other.

The banker—the capitalist—isn't, as sometimes pictured, one who merely "hires out" his money and takes toll of the initiative and enterprise of others. He's not a Shylock demanding the ultimate pound of flesh.

Mr. Graham contributes an illuminating article on the subject. It's the first of several articles which will tell in simple style, "as one business man talks to another," how a bank works.—THE EDITOR.







It is but natural to look for deeds of heroism in the annals of the American Navy, yet the tradition of the Merchant Marine is replete with narratives that make heroism almost a commonplace in the daily life of the American merchant seaman

# Heroes of Our Merchant Marine

By CHARLES EDWARD RUSSELL

Illustrations by Gordon Grant

"IT WAS in accordance with the best traditions of the sea," said the Associated Press dispatch, and so ended its stirring recital of the rescue of the officers and crew of the *Antinoe*, British steamer pounded and washed to the water's edge, Mid-Atlantic, January 28, 1926. Four days and nights, you will remember, Captain George Fried stood by in the American steamship, *President Roosevelt*. There was a terrific sea to fight, and a howling gale, sharpened with intense cold. Five of his lifeboats Fried smashed in the ceaseless battling; two of his men lost their lives while they strove to save others. Four days he held on.

He tried flooding the sea surface with oil; he maneuvered to windward, maneuvered to leeward; he resorted to every expedient. Pluck and seamanship won out. In the nick of time he brought away every soul from the water-logged and sinking wreck.

"In accordance with the best traditions of the sea,"—no doubt. But what means more is that it was in accordance with the traditions and enduring fame of the American

merchant marine. Not in any spirit of national vainglorying we may now justly remind ourselves of the truth about this, well enough known to the seafaring world though ignored generally by Americans. In time of peace as of war, the sailormen of this country have a singularly splendid record of heroic deeds. More than remarkable this will seem if we will recall those many years in which our shipping was neglected and believed to be moribund. In the old days of the wooden sailing vessel, the American clipper, its builder and its commander were held world-wide in a respect that amounted almost to awe.

## An Enduring Sea Tradition

THE EXCELLENCE of that tradition never quite departed. Even when we had afloat the fewest ships we equipped and officered them with both skill and character. To this day we build, ship for ship, the best that sails or steams; we produce the best captains; we have the most competent seamen, the best engineers.

Once in a while a brave deed like the

rescue of the *Antinoe's* people comes to be played on a stage where this nation cannot but see it, and so wins our honest admiration and loud applause. But year in and year out, noticed or unnoticed, the same order of drama is being enacted while similar achievements are added to a record of truly extraordinary merit.

"It is only what we should always expect," said officers of the national Commerce Department, when congratulated on the *Roosevelt's* good work. They spoke from the fulness of knowledge; they had been reading maritime history, for it is all there.

I will cite a few specimens from its pages. *Story of the Veendam*. On February 6, 1897, this steamship of the Holland-American line, bound from Rotterdam and Boulogne for New York, when about 250 miles off the Irish coast, ran into a heavy north-westerly gale, punctuated with furious snow squalls. The seas had been piling up ever since she got out of the Channel; they now lashed to an unusual fury. It was the North Atlantic at its winter worst. The *Veendam* was a single screw ship. Bucking

into those great billows she had the deadly ill-luck to break her tail shaft. The fractured end tore through her plates far aft, and there she was, struck to death and helpless. It was dark night, no wireless had then been invented and in that vast and lonely waste the chances for help were the smallest. To put his people overboard into boats while such waves were running was a desperate resort from which the captain naturally shrank; yet there seemed nothing else to do.

#### Rescued By American Liner

AS HE was preparing for a measure so hazardous away down below the southeasterly horizon a steamer caught the flash of one of the *Veendam's* rockets and hauled for her. It was the American liner, *St. Louis*, Captain William G. Randle of genial memory. He saw what was the matter, ranged up as close as he could and got out his lifeboats. Crazy gale, wild seas, blown snow and all, in three hours and a half of toil in that hideous black night, the *St. Louis* took off in its boats every soul aboard the *Veendam*. Among its 112 passengers were many women and children, and to get them into the lifeboats that were now slung high into the air and now dashed into an abyss past fathoming—here was nothing to play dance tunes about. Chief Officer Thomas Seagraves of the *St. Louis* commanded one of the rescuing boats; senior second officer George Beckwith and junior second officer Hector Campbell had others.

All these men subsequently rose to posts of high distinction.

The management of the American line liberally rewarded Captain Randle and all his officers and crew that took part in this notable exploit. From the grateful Holland-American line each officer received a silver loving cup, from the Dutch government a silver medal, from the Queen of Holland a telescope, from the Humane Society of New York a gold medal, from the Wool Exchange of New York an illuminated address, and from the Government of the United States, so far as I can find in the records, not a blamed thing.

#### A Similar Feat of Heroism

THE *Ignazio Floria*. The noble achievement of the *President Roosevelt* under Captain Fried almost duplicated a rescue performed by her sister ship, the *President Harding*, under Captain Paul C. Grening, typical seaman from the coast of Maine. It was October 19, 1925, in the midst of a gale with bursting seas, that the *Harding* sighted the Italian steamship *Ignazio Floria*, in a sinking condition with the seas already breaking over her after bulwarks. Thirty-six hours Captain Grening stood by. He ruined a couple of lifeboats in repeated attempts to get off the dripping Italians and at last succeeded in saving all her officers and crew left alive. One poor man had been washed overboard two hours before the *Harding* appeared and when all hands on the stricken vessel had given themselves up for lost.

What stands out in these narratives is courage, a cool, wise persistence and a masterly seamanship. When the *Antiope* signalled over the wireless for help she gave her position one hundred miles out of the way. It is something especially to be noted that despite this error the *Roosevelt* succeeded in finding her.

As some indication of the difficulties and

dangers that attend these gallant deeds, observe that not always do the brave sailors fight for life and win it.

On January 26 of this year, in the same memorable gale in which the *Roosevelt* aroused the world's plaudits with so worthy a performance, the German steamer *Bremen* got a signal of distress from the British cargo steamer *Laristan*. The *Bremen* stood by from the night of January 26 to the morning of January 28, but was able to reach only six of the *Laristan's* crew. When the battered ship went down before the eyes of the watchers on the *Bremen*, she carried with her all the rest of her complement, nineteen men.

Captain William Haywood. Many a Pacific traveler and many a shipper must remember with affection this sturdy son of the seas, so long a commander in the Spreckels line that he counted up 107 round-trip voyages between San Francisco and Sydney, Australia. He was the typical American commander, able, alert, resourceful and wise,



The spirit of the captain of the American clipper ship has lived, though his ship remains only a glorious memory

the easy master of his calling, a man of reading, a man of the world. He sat at the head of his table, a host of polished manners and agreeable conversation; and he stood on his bridge in a hurricane, a grim bulwark against mischance. He was one of those

sailors that seem to know a ship's very soul. I saw him once in the old single screw *Mariposa*, in a tide rip between two reefs when it seemed no human skill could save her from going on, and he jockeyed her to and fro, and won clear. When he died he had been nearly sixty years at sea and his shroud might have been covered with his medals and testimonials.

#### Haywood's Thrilling Adventure

ONCE when he was in the Australian trade he was calling in as usual at Pago-Pago when there blew in a report from the natives that a British schooner was wrecked on some lonely reef far out of his course, a devilish place down among endless atolls. He steered for it. There were bad chartings, inaccurate soundings, mad currents and rocks without other business than to fish for vessels. It is likely that Captain Haywood was the first man to take a steamer over some of these soundings, and he took this one with his heart in his mouth. He got himself to the cross-trees and it was like straining at fine print, the way he read that treacherous water. What he was looking for most was horses-heads, a villainous contraption in coral that sticks close under the surface to get a chance to rip plates out of a sound hull. In this way he went feeling along until he found the wreck. She had piled up on a reef and lost her two lifeboats over her careened deck. There were nineteen souls reasonably expecting death. Haywood got them all—and the captain's dog—and took them to Sydney. The British government presented him with a great gold-lined punch bowl and service, a gorgeous affair. I think his own government rewarded him chiefly with gobs of silence. It was all in the day's work. That was his feeling.

#### Records Reveal Daring

IT IS SO, all up and down our coasts. The records of the Life Saving Stations, the records of the Federal Steamboat Inspection Service—what treasures for novelists, what stories of daring for a man to write about new Captains Courageous! Only the rescues from barges would be enough.

All year around these strings of hulls are towed up and down the Atlantic coast, exposed to all the terrible chances of storm and Atlantic seas, convoyed only by a single low-hulled tug. Not a year passes without some marvelous dash into imminent peril by one of these tugs to save a barge's crew. "Stand by"

cases they are called; the Department notes them all, the press and public seldom hear a word of them.

On October 29, 1920, while off Castle Hill, Rhode Island, the steamer *City of Atlanta* was in collision with the steamer *Cape Fear*. The *Cape Fear* sank at once; in three minutes from the impact she was gone and had carried with her all her crew that were below. On the *City of Atlanta* men worked so swiftly and surely that her boats were in the water almost before the *Cape Fear* had disappeared and were able to pick up eighteen survivors.

The best captains, the best engineers; ship for ship, the best ships. One can be sure of one's self with an American on the bridge. From signs current it looks as if our merchant marine were coming back.



# The Merchant and the Federal Reserve

**FORREST CRISSEY Interviews JAMES SIMPSON, President Marshall Field & Co., to Get a Merchant's Views on Our Financial Structure**

**I**N A SMALL Texas town recently, a significant little drama was enacted. A political spellbinder of the soapbox species, committed oratorical assault upon the Federal Reserve Bank System, left his audience of farmers and ranchers cheering his courage in attacking the citadel of the Money Interests and drove away for the next town in an automobile of power and speed.

His hearers were evidently convinced that the Federal Reserve System was a device of Wall Street cunningly contrived to extract higher interest rates from the common people—farmers, laborers, mechanics and small-town merchants and professional men. And he would have left that impression undisturbed had not the president of the local bank happened to have heard the talk and to have been shrewd and courageous enough to administer a homely but effective antidote to the men who had absorbed the oratorical poison.

## Driving a Good Car

"BOYS," he said, "that's a good car he's driving."

"You bet," came the quick response from a leading rancher. "I know. Got one myself."

"Ever burn out one of its bearings?" questioned the banker.

"Yes—and it cost me two hundred," was the laughing answer.

"What did the garage men tell you caused the trouble?" pursued the banker.

"Stoppage in the oiling system. Said something about contraction and expansion. But that was all Choctaw to me."

"You've said a mouthful, Bill!" declared the banker. "If there's anybody in this crowd that thinks he knows more about contraction and expansion than Bill does, let him lift his hat."

Not a hat left its owner's head, but a discontented hired man shot out the question:

"What's that got to do with the Federal Reserve System?"

"Everything," promptly answered the banker. "Contraction and expansion are all there is to it. Only instead of oil and metal it's a case of money and business. You all admit you don't know anything about contraction and expansion. How many of you think you know anything about the Federal Reserve Bank System—except what this trick talker has just told you? Not one—that's honest."

"Boys, there wasn't one word of truth in all he handed you. Now cross your fingers or touch wood while I tell you that if every one of you burns out a bearing driving home, your automobile will get just what would happen to business every now and then without the Federal Reserve Bank System. Meeting the forces of expansion and contraction with just the right amount of give and take is exactly as important to

keep the money machinery of this country running smoothly as the feeding of oil to the joints and bearings of an automobile is to its running. Now I've got to get back to the bank and lend several of you enough money to carry you. That I'm able to do simply because of the Federal Reserve Bank System. And I'll take time there to explain the why of it to any man who really wants to know."

This incident is as meaty as an egg. While the country banker's homely comparison was little short of an inspiration the

alls. Meantime, his home banker is lending him money on his crops, his cattle, or the output of his factory which could not be lent him if the local bank were not able to rediscount his note with the Federal Reserve Bank.

James Simpson, President of Marshall Field & Company, is not and has never been a banker—but he is a member of the board of directors of the Federal Reserve Bank in Chicago. These two facts should qualify him to speak with singular impartiality and authority on what the Federal Reserve Bank is and what it does for the business of the country; to see its operations and their results from the viewpoint of the merchant, the business man.

"My sincere conviction," declares Mr. Simpson, "is that the Federal Reserve Act has proved itself to be the most constructive and beneficial piece of financial legislation enacted by Congress since the National Bank Act of 1863. It has, in my opinion, done more to prevent panics, stabilize business conditions, lower interest rates and create confidence in continued business tranquility than any other national measure since the Civil War. And yet, it is altogether too generally unappreciated because its operation, like that of many of the greatest and most beneficent forces of nature, is not seen by the great mass of those whom it best serves."

## A Satisfactory Measure

"THE existence of this remarkable device for equalizing the play between expansion and contraction is, in great measure, responsible for the present highly satisfactory outlook. Not for ten years have the fundamental factors of the economic situation of this country been so satisfactory as they are now. Production and consumption are today in better balance than they have been for years. This means real prosperity."

"The ups and downs of the business cycle used to be abrupt and severe. A period of apparent prosperity would come to a sudden close in a situation of acute business strain and crisis, with interest rates abnormally high. Prices of commodities and securities would fall off sharply and business become dull or stagnant. There would follow a slow and painful recovery."

"Repeated experiences of this kind inevitably produced a sensitive and jumpy state of nerves on the part of all business men. Every keen and thoughtful observer of business conditions will, I think, bear me out in the statement that this highly nervous and apprehensive condition is not nearly so acute today as it was ten years ago. Something has happened to soothe and steady the nerves of business."

"That something is the operation of the

**MR. SIMPSON'S** interview is a clear, understandable statement of the service the Federal Reserve Bank renders to business.

Mr. Simpson sees the Federal Reserve System not with the eye of a banker but with the eye of a merchant. He knows the good that it has done and is doing every day in the year, and knows, too, that its influence is not confined to the big bank in the big city but is nation-wide.

What Mr. Simpson has to say is timely, for as this reaches our readers it is not unlikely that the whole question of the recharter of the Federal Reserve Banks will be before Congress. An amendment by Senator Glass to the McFadden banking bill brings the question up for legislative consideration.

—The Editor



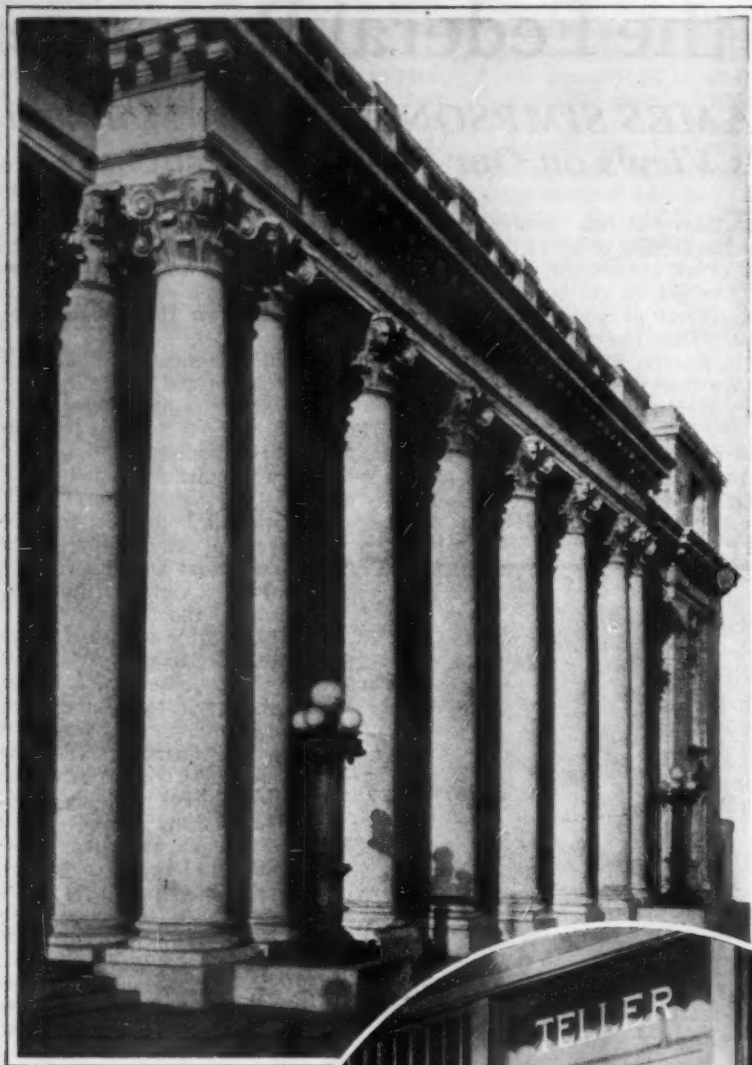
James Simpson

significant feature of the soapbox drama is that the average citizen knows as little of the Federal Reserve Bank System as he does of the intricate mechanism of his automobile and its provisions for relieving the pinches of expansion and contraction; that politicians are trading on popular ignorance concerning this system to create prejudice against it to inspire belief in their own shrewdness.

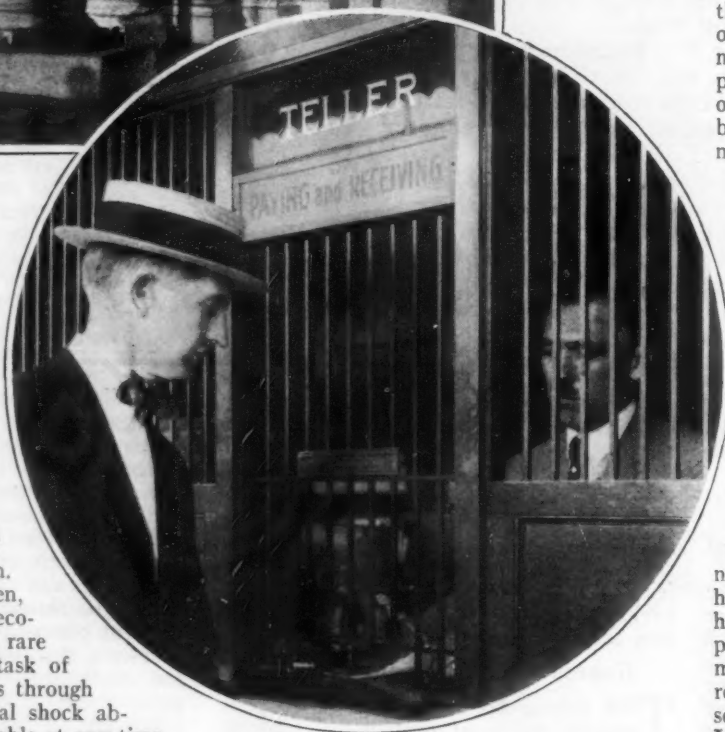
## Guards Against Soapbox Peril

**T**HE only protection against this soapbox peril to the most constructive financial measure created by Congress in sixty years is to reach the general public with a clear and simple explanation of what the Federal Reserve Bank System is and does. Nothing else is needed.

There are two reasons why most citizens know little or nothing about the Federal Reserve Bank. Only bankers do business with it; the ordinary business man has no direct contact with it. To him it is a name only—about which he is ready to believe almost anything told him by the political vendors of economic gold bricks and cure-



When John Q. Citizen, enterprising merchant of Main Street, discounts his note with the Home National, the Federal Reserve System is back of the transaction. The Federal Reserve is the national reservoir of credit. Upon it the Home National may draw at need; rediscounting its loans to the farmers and merchants of Main Street. Thus the system provides a fluid credit, vitalizing and energizing commercial relations, and—to mix metaphors a bit—serves as the shock absorber of business. Yet it is the subject of frequent gusty attack by those who fail to understand its workings and by others who would swap panaceas for time-proved specifics.



**Federal Reserve System.** Before its creation, in this period of expansion and contraction, the business of the country was without a shock absorber and received the full force of the jolt; it burned out bearings in individual business everywhere because there were no available means of meeting the sharp emergencies of expansion and contraction. Experienced and able men, of broad vision, sound economic understanding and rare courage, undertook the task of meeting such emergencies through the creation of a financial shock absorber, an equalizer available at any time and in any part of our country regardless of whether the pinch was local, sectional or national.

"This financial mechanism has proved itself remarkably mobile and effective. In proof of this, remember that we have not had a real business panic since the World War and that if anything on earth is to be depended upon to throw the financial machinery of the country out of gear it is a war of great magnitude. True, there have been some derangements, but recovery from them has been orderly and expeditious.

Other countries having no equivalent to our Federal Reserve System have suffered disastrously. Personally, I am convinced that our own country would have had serious financial trouble had it not been for the protective influence of the Federal Reserve System.

"I am not inferring that this system is a cure-all for business ills of every kind; but I do believe that money panics, at least, are virtually a thing of the past and that acute commercial crises will have great difficulty

in developing the scope and severity of those which left their scars upon the face of our business history—all this mainly due to the protective stabilizing and resuscitating influence of the Federal Reserve System.

"Briefly, that system is composed of the Reserve Board at Washington and twelve reserve banks, with their twenty-three branches, covering the entire country. The Reserve Board is not an operative body but supervises the reserve banks and coordinates them into an effective national system. The Secretary of the Treasury and the Comptroller of the Currency are *ex officio* members. Its six members, appointed by the President, represent fairly the industrial, commercial, agricultural and financial interests of the country. The former occupations of the present members were: merchant, farmer, banker, lawyer, economist, publisher.

### Not Government Institutions

"THESE banks are not government institutions, but private corporations whose stock is owned by the member banks. Their dividends are limited to 6 per cent. All national banks are members of the reserve bank of their district, as are many state banks and trust companies. These member banks elect six directors and the Federal Reserve Board appoints three.

"What, then, does the Reserve System do? It enables the local member bank to operate more safely and more freely, thus making it possible for this bank in turn to grant better accommodations to its customer. Let us take a concrete case. A merchant in Nebraska buys a bill of goods in Chicago. In order to take advantage of the discount, he goes to his bank to borrow on his note for 60 days. Now the bank may not have funds of its own to loan at that particular moment. It may be the season of planting or moving the crops or high business activity and all of its resources may be employed.

"The bank, however, can take this customer's note to the Federal Reserve Bank of its district and secure funds by rediscounting it. The proceeds it loans to the merchant, who is able to discount his bills and protect his credit. Without the reserve bank to rediscount the local bank's paper, the latter would many times find itself 'loaned up' with money tight and confidence in future impaired.

### Big Bank May Not Have Funds

"THE wholesaler or manufacturer from which this merchant bought, may likewise have occasion to borrow, and his bank, though a large city institution, may not have funds with which to accommodate him. But if the wholesaler or manufacturer has good commercial paper arising out of the production, sale or marketing of goods and maturing within 90 days, his banker can rediscount it at his reserve bank and thus secure funds with which to make the loan. In this way, each secures an accommodation needed.

"In a similar way, every class of business is accommodated. The cattleman in Texas, the exporter in Philadelphia, the lumberman in Seattle, the packer in Chicago, the planter in Georgia or the implement maker in Moline, if a responsible business man in good financial standing with his bank, can borrow upon his paper, provided it arises out of the production, sale or marketing of goods and falls due within a specified time. Loans to farmers, planters or cattlemen, including the raising and marketing of live stock may



be discounted if the paper falls due within nine months. United States government bonds or notes are also acceptable as security if the loan is for not more than 90 days.

"In much the same way reserve banks in one part of the country may need at times to borrow from reserve banks in other parts of the country. Industrial districts with surplus funds often loan to agricultural districts. In this manner an individual may borrow from his bank and this bank in turn borrow from a federal reserve bank, and the latter borrow from other federal reserve banks. All the credit resources of the country are thus pooled together, making them vastly stronger and more available than when each bank had to depend upon its own resources and look out always for itself. The twelve reserve banks now form our ultimate reservoir of credit.

"Now consider another great service to business in the power of reserve banks to issue currency. In making a loan, the borrower may want the proceeds in deposit credit or in currency with which to meet payrolls. Federal Reserve Banks have the power to issue federal reserve notes redeemable in gold. But they must set aside security, dollar for dollar against such notes.

"The security may be short-time business paper, or gold, or both, the former representing loans for the production or distribution of goods or farm products or loans upon United States Government securities. This process of rediscounting does not lead to inflation or unhealthy expansion of credits, because no one can get loans, either currency or deposit credits, who does not possess good sound collateral upon which loans can be safely made.

#### Sound Loans

"A FARMER may have sold his wheat, or a merchant his goods, and as long as loans are made upon such evidence of tangible wealth, they are sound. The volume of notes put out by the reserve banks depends upon the needs of the member banks and these needs, in turn, upon those of their customers. Customers'

needs arise out of actual business transactions. The volume of notes thus rises or contracts with the actual requirements of legitimate business.

"It is not to the interest of anybody to make credit terms so 'easy' that they become unsound; but it is to the interest of the country, on the other hand, that deposits in a solvent bank be available when wanted. This is vital and this is what we now have. There is no reason, therefore, ever to expect another money panic like that of 1907.

#### Stabilizing Interest Rates

"ANOTHER decided advantage of the reserve system of banking is in stabilizing interest rates. These rates are indicators of credit conditions. As the reserve system makes assets quickly available in response to

credit needs, so it has done away with panic interest rates. Even seasonal variations in interest rates are not nearly so pronounced as they used to be. The demand for funds at crop-moving times does not bring a sharp advance in interest rates, as used to be the case. Actually, the tendency has been in the direction of somewhat lower rates for business money and somewhat higher rates for stock exchange money.

"In much the same way the spread of interest rates between the eastern and western parts of the country has been greatly reduced. The actual rate charged at any given time depends in part upon local conditions, such as risks involved, time of getting loan repaid and expenses of doing business. These conditions still exist. But the barriers which hindered the surplus funds in one part of the country from finding employment in other parts have been broken down and the spread in interest rates reduced.

#### Spread in Rates Eliminated

"THE SPREAD in interest rates on short and long maturities has been almost eliminated. This is to the advantage of country borrowers and also enables banks generally to adjust their reserve positions so as to serve better all business interests.

Quick and definite action in emergencies is a Federal Reserve function. Kegs of gold and bars of silver may be sent at need as shown here. As Nation's Business goes to press, the system is helping Cuban banks in need

"To sum up, the Federal Reserve System has the following outstanding advantages over the old uncoordinated method of banking:

- (1) Pools the credit resources of the country
- (2) Provides elasticity in the currency
- (3) Stabilizes interest rates and lessens seasonal fluctuations
- (4) Eliminates any money strains due to inability to get credit, though having sound collateral
- (5) Promotes better general conditions and greater market stability, thereby giving greater assurance of future obligations
- (6) Coordinates local independent banks controlled by local men and capital into a nation-wide system (with pooled resources)
- (7) Gives little banks and big banks same relative standing either in western Texas or in Wall Street. Each has the rights of its class and is on perfect equality with every other bank of its size.

"This not only makes for efficiency and economy, but for a genuinely democratic American banking system. The reserve system has proven so far a good servant of the whole people. Its strength and soundness a source of safety to all. The net result has been a firm foundation of stability and confidence."



UNDERWOOD & UNDERWOOD

# Panaceas That Reformed Reformers

By RAYMOND C. WILLOUGHBY

AMERICAN political and social history, from its very beginning, has recorded the faiths and works of radicals, progressives, insurgents, liberals, socialists, civic campaigners, muckrakers, and reformers of one stripe or another who contended for the common good as they variously professed to see it, and who dramatized their avowed beliefs before the people.

Though the onslaughts against the "interests" have been made for the most part by lone crusaders, the cudgels for reform at times have been wielded by mass formation, as when the Populist party, sniffing the air for discontent among the "plain people," girded its collective loins in 1892 and campaigned with a most amazing recital of grievances. The party's panacea was published "in the midst of a nation brought to the verge of moral, political, and material ruin."

## Pessimism Pervaded Populism

POPULISM provided a political poultice steeped in the depressing pessimism of doom, of death, of decay, for it declared that

Corruption dominates the ballot-box, the legislature, the Congress, and touches even the ermine of the bench. The people are demoralized; most of the states have been compelled to isolate the voters at the polling places to prevent universal intimidation or bribery. The newspapers are largely subsidized or muzzled; public opinion silenced; business prostrated; our homes covered with mortgages; labor impoverished; and the land concentrating in the hands of the capitalists.

The urban workmen are denied the right of organization for self-protection; imported pauperized labor beats down their wages; a hire-

ling standing army, unrecognized by our laws, is established to shoot them down, and they are rapidly degenerating into European conditions. The fruits of the toil of millions are boldly stolen to build up colossal fortunes for a few, unprecedented in the history of mankind; and the possessors of these, in turn, despise the republic and endanger liberty. From the same prolific womb of governmental injustice, we breed the two great classes of tramps and millionaires.

Some driftwood and some new wood were used in knocking together the party platform, for the Populists demanded monetary reforms including "free and unlimited coinage of silver and gold in the present legal ratio of sixteen to one," an increase of money in circulation to \$50 per capita, a graduated income tax and postal savings banks, government ownership of railroads, telegraphs and telephones, suppression of alien ownership of land, and appealed to the single-tax followers of Henry George with declaring that "land is the heritage of the people and should not be monopolized for speculative purposes."

Along with those items of its cause, the party recorded its support for the Australian ballot, lower taxes, liberal pensions, the eight-hour day, the initiative and referendum, one term for the President, and the direct election of United States Senators. Under the party's ban came national subsidies in any form to private corporations, and Pinkerton detectives.

By 1912 the Populist party had become an anachronism, it was out of joint with the times, was passé, and the men who met under its banner for the last time at St. Louis were wise enough to know that their evangelical service was ended. No nominations were made. The party was through. The planks that once made its platform distinctive either were included in the platform of the new Progressive party or had been applied by the older party groups.

But the reform movement did not die with the Populist party. Since the obsequies at St. Louis in 1912 there have been sporadic and ominous tremors of radicalism in the body politic. There came the stirring episodes when "Tom Johnson and the 'interests' wrestled naked in the streets of Cleveland," when Hiram Johnson fought "all the entrenched political machines and corporation power that had been established for forty years"—and the days when

... the muckrakers were best sellers, when trust busters were swinging their lariets over every state capitol, when "privilege" shook in its shoes, when God was behind the initiative, the referendum, and the recall—and the devil shrieked when he saw the short ballot, when the Masses was at the height of its glory, and Utopia was just around the corner.

## Pre-War Radicals All Gone

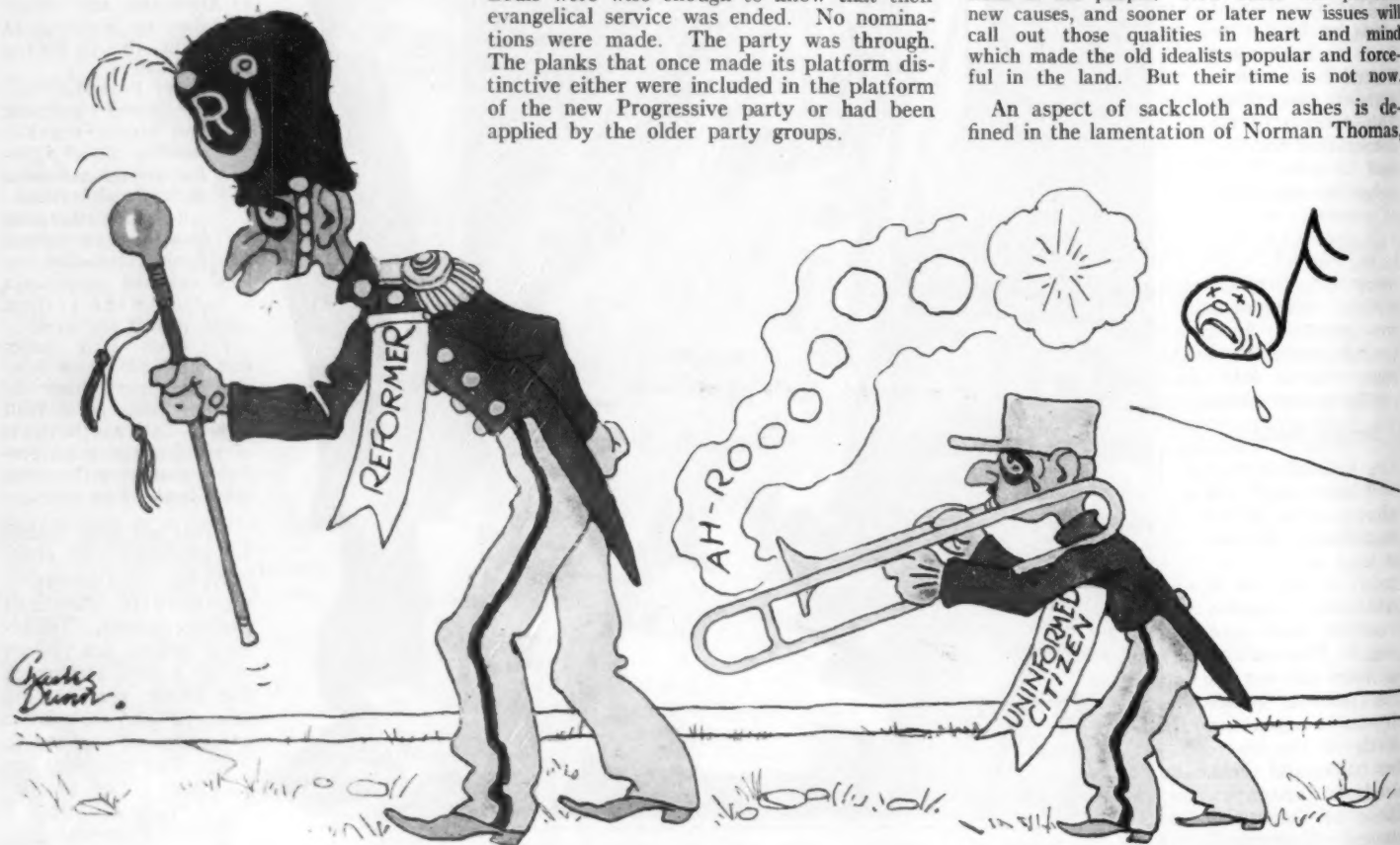
WHAT has become of the reformers of those uplifting times? "Where are the pre-war radicals?" as Frederick C. Howe puts the question in his autobiography, "The Confessions of a Reformer." The roll was called by the *Survey*, and twenty-three answers were received.

William Allen White, the best preserved specimen of the "Bull Moose," complained that

... when I talk to the average man who looks at life in the average way, at the average condition of the average industrial worker, the average man puts his hand to his mouth and swallows his yawn and walks off. You cannot dramatize the injustices of the present situation. Hence the reformer's occupation is gone.

The radical is unable to appeal to the emotions of the people. New times will produce new causes, and sooner or later new issues will call out those qualities in heart and mind which made the old idealists popular and forceful in the land. But their time is not now.

An aspect of sackcloth and ashes is defined in the lamentation of Norman Thomas,





director of the League for Industrial Democracy, who writes,

The old reformer has become the Tired Radical, and his sons and daughters drink at the fountain of the *American Mercury*. They have no illusions but one. And that is that they can live like Babbitt and think like Mencken. It will take time for a new crusading zeal to grow up, older and soberer in its expectations, with greater grip on reality, and yet unable to rest so long as there is any hope at all that man who has conquered nature may yet come nearer to conquering social organization.

### Radicalism Too Crude to Last

IT MAY be that the American radicalism at the turn of the century was too crude, too immature to survive, as suggested by Stuart Chase, author of "The Tragedy of Waste," with saying:

Shall we lay a wreath on the Uplift movement in America? I suppose we might as well. For the uplift as a crusading spirit, as a dedication, as a religion, is comatose if not completely ossified—strangled both by the war and its own ineptitude. It was inept because its moral judgments took the place of sound analysis. It dealt in blacks and whites; it defied a muzzy and mystical conception of democracy, and found horns underneath every plug hat; it was too logical and not sufficiently psychological; it was cursed with political-mindedness.

And there is the word of Norman Hapgood, "editor of *Collier's Weekly* when it ousted Ballinger and spread the doctrine of conservation," that

The greatest world problem now is peace. Labor elements and liberal elements in England, France and Germany are attending to that. The greatest American problem I cannot pick out, because there does not seem to be any. For my part, free speech and free thought interest me more than any other issue, and I find an active group of people to work with along those lines, most of them being pre-war....

It is true that the United States is happy making money. Labor has higher real wages

than ever before. Figures are easy to fight with, but I believe at least skilled labor gets 20 or 25 per cent more than it did in 1913 for the same effort. It is a mechanical age....

No backsliding, no relaxation of militant radicalism is reported by Eugene V. Debs, the many-time presidential candidate of the Socialists, for he contends—

We are where we always were—just as radical, just as confident, just as determined. We were overwhelmed, submerged, to a greater extent than the Socialists of most countries, by the brute forces of capitalist reaction let loose during the infernal slaughter. This condition cannot last in the face of the almost universal advance of the Socialist movement.

Industrial conditions are making it harder and harder for the mass of the people to maintain the traditional attitude of defense of the existing economic system. The present political discontent is working toward a more favorable situation for us. We already note a perceptible improvement in our movement.

That dissent, to be organized effectively on a large scale, must take account of the material interests of economic groups, is the position of Morris Hillquit, frequently designated as "the brains of the Socialist party"—

Future American radicalism, if it is to be anything more than the vague and impotent thing it has been in the past, must find a home in the labor movement, a broad and intelligent labor movement, organized politically as well as economically and inviting the active cooperation of radicals of other classes as does the Labor Party of Great Britain....

That point of view has similar expression from Roger Baldwin, best known for his organization of the American Civil Liberties Union, who wrote that—

The "People" as a political party are unorganizable. Only economic classes can be organized. The only power that works is class power. The "combined manufacturers and bankers of the United States," as Woodrow Wilson puts it, is the class that politically controls us. The world has lost faith in parlia-

ments; political democracy is recognized only as a form under which capitalism controls society, just as feudalism controlled it through kings. Political liberalism is dead....

Raising wages did not uplift the workers, according to Fremont Older, "two-fisted editor of the *San Francisco Call*," once kidnapped in one of the bitter municipal feuds—

I thought all that was necessary to bring about a mild millennium was to raise wages. Improved living conditions would give the poor a chance to express these fine qualities that I felt they possessed, and there would be no further difficulty in quickly making the world a finer place to live in.

The high wages came during the war, and what happened? The workers became more conservative. They bought automobiles, lived in better houses, dressed better, and acquired the habits of the well-to-do....

Others who contributed to the *Survey's* symposium included George W. Alger, Newton D. Baker, Ray Stannard Baker, Clarence Darrow, Sherwood Eddy, Charlotte Perkins Gilman, William Hard, John Haynes Holmes, Basil Manly, Benjamin C. Marsh, John S. Phillips, Louis F. Post, Lawson Purdy, Ida M. Tarbell, and Burton K. Wheeler.

### Believe Radicals Are Gone

THE CONSENSUS of their opinions is that the old-time radicalism is gone, and its going is frankly admitted or tacitly assumed—by some with a frank gladness, by others with a note of regret. If the sparks of radicalism no longer glow with the ardent heat of their first redness it may be because, as Mr. Thomas explains, the American worker is "drunk with prosperity." Certainly the inflammable materials in America's social structure are not likely to ignite so long as the worker and his family continue to have more time, more opportunities, and greater means to enjoy the comforts and pleasures of life in these United States—where there is no tinder, no fire can start.



# NATION'S BUSINESS

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MERLE THORPE, Editor

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## Letting the Buyer Know the Truth

**I**T IS HARD to dispute that the buyer should know what he buys. If he wants skim milk, let him have it; but don't let us call it whole milk or cream. Preserves part apple and part strawberry may be as appetizing and as wholesome as preserves made wholly of strawberry, but we who buy ought to know what we are putting into our stomachs.

Largely the Federal and State Governments have brought this about as to food. Adulteration is not a thing wholly of the past, but certainly far less of the present. Witness the disappearance of the joke about the milkman's pump.

Recently the Federal Trade Commission has taken a lead in what seems a first-rate task in seeking to get the retail furniture dealers of New York to agree on definitions of what is a mahogany bureau or a walnut table. The summing-up of these proposed rules is brief:

"Furniture shall be designated by the names of the principal woods used in the exposed surfaces when the piece is placed for use."

There has been much outcry against government in business, but it should be remembered that the most quoted slogan was not, "No government in business," but "Less government in business."

The way to lessen government in business is for business so to rule itself that government need not interfere; and when the Federal Trade Commission gets an industry to agree on a rule, fair to dealer and customer alike, it is doing a fine thing.

## A Good Definition of "Value"

**A**T TIMES we lift our wearied head from the more ponderous writers of economics and turn to that sound and clear-thinking economist, Mr. Dooley.

As quoted by Finley Peter Dunne in a recent issue of *Liberty*, Mr. Dooley gives a brief but brilliant definition of two theories of value. Mr. Dooley's friend, "Larkin, who's a socialist" says:

"Th' value iv a hat is th' labor I put into it."

To which the wise Mr. Dooley replies:

"Th' value of a hat is how much I want it."

How much simpler, how much more easily understood than discussions of "labor value," "use value," "exchange value."

## A Suggestion for Henry Ford

**T**HIS IS a day of great circulations. Cyrus Curtis takes pages of newspapers to tell a wondering world that the *Saturday Evening Post* is climbing from two and one-half millions to three millions. The women's magazines present pictures of millions of women, all eager to buy laundry soaps and bath salts and breakfast foods. The sands of the seashore, the leaves in Vallambrosa—with these we compare the figures in which publishers of general magazines are talking. We, ourselves, are modestly proud that nearly a quarter of a million business men stop each month to read a magazine of business and economics.

But aren't there circulations yet untouched? Our street cars

have yielded to the wizardry of advertising. Why do our railroad coaches and our Pullmans still remain aloof?

And books? Why are not the last hundred pages of each of Harold Bell Wright's novels larded with advertisements? The movies? Why does a public which expects its morning newspaper to carry advertising object if its nightly movie does the same thing? And the nightly movie that is now twenty-five cents might be fifteen, ten, five—who knows?

There's one other great and unused circulation at which it must be difficult for advertisers and advertising agents to look, unmoved. The Fords! How many of them are there? There are in this year of Grace about 20,000,000 licensed automobiles in the United States. Of these the National Automobile Chamber of Commerce says that about one-half are Fords. Ten million of them shoot around our street corners and up and down our country roads, and not one of them serves a national advertiser.

It might be difficult to measure the rates and to devise the copy, but that is not beyond the ability and the ingenuity of our advertisers and their agents. Suppose the name of Smith's Shoes in red and yellow gleamed from the rear of every Ford as it flew across the countryside, and that Bluesmoke Cigarettes were on every radiator, every day and everywhere.

But, some one says, who would humiliate himself by riding in an advertising automobile? Answering a question with a question, who hesitates to take home a magazine because part of it is advertising, or to ride in street cars or walk up Broadway with its thousands of electric signs?

Mr. Curtis gives us weekly, for five cents, twenty cents' worth or a dollar's worth—we know not how to measure it—of excellent amusement and instruction because we raise no protest at the signboards we buy with it.

Couldn't Mr. Ford sell us his marvel of low-cost individual transportation at half the price or less if he only sold the advertising space on a potential circulation of ten million?

## A Lesson from Russia

**A**CCIDENTS are of unpleasant frequency in Russian industries. In the metal industry, their frequency is said to have reached 150 per year for each 1,000 workers employed.

Thirty to 40 per cent of these accidents are laid to fatigue due to bad housing. The average housing accommodation actually supplied to Russian metal workers is barely 40 per cent of the legal maximum. At many plants the living accommodations apparently provide less floor space for each workman "than would be taken up by his bier."

## A Picture of Business in 1804

**"A** FORGOTTEN Factor in American Industrial History," discussed by Prof. Harvey A. Wooster, of Oberlin, in a recent issue of *The American Economic Review*, deals with the influence of the New England tin peddler as "an agency in the opening of new trade routes."

Two advertisements catch the eye. One printed in 1804 in Worcester, Mass., offers for sale:

"West India goods and groceries, viz: best cognac and Spanish brandy; West India and New England rums; real Holland gin; Madeira wines; flour, molasses; loaf, white and brown sugar; teas, coffee, chocolate, spices, raisins, copperas, alum; rock and fine salt; dried and pickled fish; glazed china tea sets, crockery and glass ware, violins and flutes."

The other, printed the next year in Danbury, Conn., read:

"Those indebted to the subscribers, on Book or Note (now due by agreement), may have the opportunity of canceling the same by payment in Walnut, Oak or Maple Wood, Wheat, Rye, Corn, Oats, Buckwheat, Flax Seed, Hats, Saddles, or Shoes, at their full value, if delivered soon, but if delayed



cash will be the only substitute which will be accepted by Joseph F. and E. M. White."

A picture of trade a century and a quarter ago. All men were manufacturers or producers of raw materials and marketed their own products.

### Opportunity

THERE are plenty of pessimists who are ready to say that the day of opportunity for the poor boy to rise to the top has passed. In March, Henry Schott, in an article called "Up to the Top in One Generation," told something of the leaders in the automotive industry who started in shirt sleeves.

An interesting addition to the list is H. S. Vance, who has just been made a vice-president of the Studebaker Company, and who began as "mechanic apprentice at 15 cents an hour."

There's an answer to those who feel that the American boy hasn't the opportunity of a generation or two ago.

We spoke last month on this page of the "barefoot men" in the textile industry—men who started at the bottom and some of whom are now leaders of the industry. This country hasn't passed beyond the day when the "barefoot man" has a chance to climb, and we hope it never will.

### Stock Dividends and Income Taxes

STOCK DIVIDENDS continue to raise some interesting questions in connection with the federal income tax. In March the Board of Tax Appeals passed upon one of these questions.

This particular controversy hinged upon the provision in the Revenue Act which permits a distribution of earnings or profits accumulated before 1913 without the shareholders having to pay income tax upon them, if the earnings and profits accumulated after March 1, 1913, have been distributed. A company with earnings accumulated in both periods first declared a stock dividend to cover all of its earnings after March 1, 1913, and then paid out its earnings of the earlier period in cash dividends. The Commissioner of Internal Revenue demanded that shareholders pay tax upon the cash dividends.

The shareholders were equally insistent that the law exempted those dividends from tax, as all of the subsequent earnings had been "distributed."

The Board of Tax Appeals reverted to the decision which was rendered some years ago and in which the Supreme Court held that a stock dividend is not income to the shareholder, because the corporation parts with nothing when it pays a stock dividend and a shareholder has no larger proportional interest than before.

Accordingly, the Board of Tax Appeals in this case decided in favor of the Commissioner of Internal Revenue, holding that the stock dividend did not constitute a distribution of earnings accrued after February 28, 1913.

### Hotel Sheets and the Law

OUR COMMENT on the 9-foot-sheet law in Kansas brings this letter from F. O. Carr, assistant cashier of the First National Bank in Wichita:

As usual, the point and purpose of this law is missed entirely. The idea of the legislature—I believe you will agree it is a good one—was to provide for sojourners in hotels clean sheets long enough to double back over the tops of the blankets, which naturally could not be washed for every newcomer, and render the sleeper less liable to come into contact with the said blanket. We have all traveled in other states where they do not have this law, but where we wished at the time that they did have it. It was about the same time we abolished the common drinking cup from trains and public places.

It seems to us that it is our correspondent who has missed the point. Clean sheets are a good, an excellent thing. Sheets ought to be long enough for comfort, but should the state

take upon itself the task of fixing the length and inspecting their condition?

Where do the functions of government end? Perhaps that question cannot be answered, but it is one that ought to be asked over and over again by the business men of this country.

If the state shall regulate the length of sheets, shall it not also regulate the number and size of towels, and the thickness of beefsteak, and the ratio of coffee to hot water? And shall we have a state hotel commission to fix prices of rooms and food and supervise sheets and towels and tea and toast?

### Work Every Day to Earn a Living

THE SEVEN-DAY WEEK remains as the period of work in some of the Russian metal industries. The men do not have one day a week in which to rest. It is even said that they do not want it, because only through working overtime and on Sundays can they obtain enough earnings, at current Russian wage scales which are well below pre-war scales, to keep soul and body together. In other words, a weekly day of rest for these workmen will become possible only if the wage rate is raised, and the government responsible for running manufacturing enterprises in Russia seems to have no idea of increasing wages.

### Should the Handshake Pass?

A BUYER for a Chicago department store has posted a sign that reads "No Handshaking." His contention is that commercial handshaking is an impediment to the serious business of buying.

Soviet Russia has also frowned upon the ancient habit of clasping hands, we are told. The reason in this case is not that it wastes time in business, but that it is unsanitary. Possibly it is, in Russia.

Anthropologists say that the habit of grasping hands goes back to the time when men carried spears in their right hands. When a roaming cave man passed a man that he recognized, he would shift his spear to his left hand and clasp the right hand of the passerby with his own. It was, we are told, an early form of guarantee, a symbol of peace, or a promise that one would not try to kill the other.

It is a custom that should be preserved, for it is still a disarming gesture among men.

### The Unexportable Frog

NO ONE has yet risen to dispute the claim of Oshkosh, Wis., to be the frog center of the nation, but we have learned about frogs since we spoke up for Oshkosh.

We have learned that the frog industry does not escape regulation. No frog may be shipped from Wisconsin or Michigan in the months of March and April. As for North and South Dakota and Minnesota, no frog may be shipped from those states at any time.

Why this concern for the frog? Is he in danger of disappearing? Is there no Society for the Protection of the Frog, with secretaries and offices?

We turned to our never-failing source of information, the list of government-published documents, to see what literature it supplied on frogs; and we found that the Government, always ready to educate an ignorant public, has issued a pamphlet, "Frogs, Their Natural History and Utilization."

We knew that a government which could supply us with "Adventures in the Life of a Fiddler Crab," the "Habits of Black Crappie in Inland Lakes of Wisconsin," or "Conditions Governing Existence and Growth of Soft Clam," would not fail us on frogs.

# Who Owns Our Oldest Family Farm?

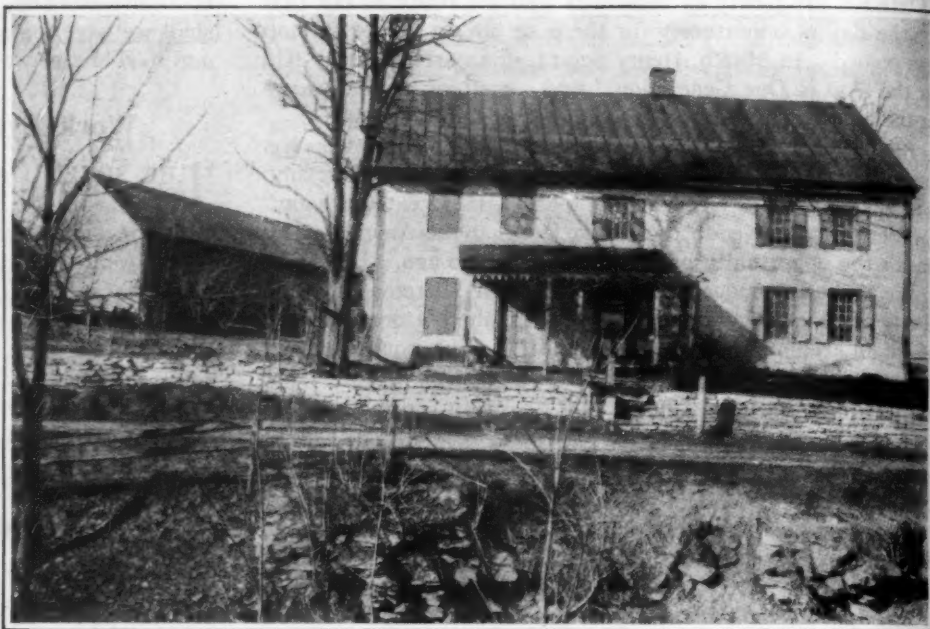
By WILLIAM BOYD CRAIG

SOMEWHERE in the United States is a farm which has been owned and farmed by direct descendants of the same family for a longer period than any other family farm, but its exact location still remains unsettled. Writing in *NATION'S BUSINESS* recently, Mark Sullivan raised the question as to where the oldest American family farm might be found, and many interesting letters answered Mr. Sullivan's query. In the first of a series of articles on America's century-old family farms, Mr. Sullivan wrote:

I should like to set all America on a search for the oldest American farm. By that I mean the farm that has been for the largest number of years in the possession of one family, passing from father to son, or at least passing through blood inheritance without interruption. I wonder where that farm is? Can any reader of *NATION'S BUSINESS* help to identify it? Is it in New England or in the South? Is it in one of those fine old well-kept farms in Lancaster or Berks County, Pennsylvania, crowned with a stone house and big barn proportioned according to the thrifty "Pennsylvania Dutch" proverb, "a barn will build a house but a house will not build a barn"?

He named the oldest family farm known to him as the Brinton farm, near Chester, Penna. Among the letters received, both by the author and by *NATION'S BUSINESS*, several older farms have been discovered. In location, the oldest continuously owned farms are in New England, Eastern Pennsylvania, Delaware, New Jersey and Virginia.

Changing conditions, the Civil War, and many other vicissitudes have played havoc with southern estates, until today there are fewer plantations that have passed down in the same family than is generally believed.



The Reed Homestead, near Womelsdorf, Pennsylvania, built in 1723, was constructed of logs, which were weatherboarded, and in this condition it has stood for more than two centuries

There are associations of old family farms, but none of farms showing unbroken ownership by succeeding generations of the same line. Here and there on library shelves is to be found a record of a community centennial or bicentennial which does include such a farm, but even these are rare and scattered. It is a fertile field for research, particularly timely because of the coming celebration at Philadelphia, and because of the peculiarly American characteristics of

these pioneers. Many of them were half soldier, half farmer.

The oldest farm which the recent inquiry in *NATION'S BUSINESS* brought to light is located at Salisbury, Massachusetts. Writing from Los Angeles, Edward Kendall says:

In Salisbury, Mass., is a farm that has been in our family since 1638. My mother's ancestor who first came to this country was one John Pike, who came from England on the *Ship James* in 1635. Three years later he settled in what is now Salisbury, where he founded the Pike homestead, which has been handed down in unbroken succession in the Pike family ever since. John Pike died in the house he built on May 26, 1654.

## Old Delaware Farm

THE QUEST for the oldest family farm was taken up by the *Delmarvia Star*, Wilmington, Del., editorially, following Mr. Sullivan's surmise that such a farm might be found in Delaware. One of the oldest found was the Marvel farm, according to the *Star*, which continues:

It was learned that the Marvel farm near Georgetown, now owned by Josiah Marvel, well-known attorney of this city, and managed by his brother, Andrew Marvel, had been in the Marvel family for 267 years.

It was taken up by the original Marvel under a patent from Lord Baltimore in 1659, Lord Baltimore at that time claiming all of the Delaware territory. It has been owned and farmed by the Marvel family ever since. The title has never been out of the Marvel family.

Josiah Marvel was born on



The Bertolet home, Oley Township, Berks County, Pennsylvania, was one of the first stone houses built in eastern Pennsylvania. The founder of the family in America was Jean Bertolet, who settled in 1726



this farm, as were many Marvels of the past. It is felt that Mark Sullivan will have to go some to produce an older farm remaining in one family.

Two Connecticut farms trace lineal ownership to 1663. Lloyd P. Ayer, of North Franklin, Connecticut, writes:

Without doubt, I do not have the oldest family farm, but I have one that will prove a hard nut to crack, or equal, for many. I own and live on a farm that was purchased from the Mohican Indians in 1663 by John Ayer. It has been inherited by the male line to the present time and I have a son living and farming on part of it. He has two sons, which carry it to ten generations in the same family.

The peculiar part is, there has never been a mortgage on any part of it. The town of Franklin was settled by one man, John Ayer. Most towns were settled by a company. In fact, we know of no other town in Connecticut settled by one man.

In my barn there is timber taken from the first barn built in this town.

You will observe this place has been in our possession 263 years.

The other farm begun the same year is in possession of the Boothe family. Writing from Baltimore, Md., Mr. Charles W. Beers says of this farm:

Richard Boothe came to Stratford, Connecticut, in the year 1639. He had a son,

ning. Each was a farm two hundred years before the battle of Gettysburg. Pennsylvania was not settled until nearly twenty years after John Ayer and Richard Boothe had laid out their Connecticut farms, and it was not until thirty years later that Massachusetts put her "witches" to death at Salem.

#### Deeded by William Penn

NEXT in order of antiquity, among the farms mentioned in reply to the inquiry of NATION'S BUSINESS, is a Delaware farm, the deed to which was signed by William Penn in 1680. John W. Hering, Wilmington, Collector of the District of Delaware, writes:

I am led to call your attention to an old farm situated on the Mispillion River, near Millford, Kent County, Delaware, which has come down to me through seven generations—I being the eighth in line of descent.

A tract of 500 acres, under the name of "Mount Pleasant," was patented by William Penn in 1680 to William Clark, a member of Penn's Council from Whoarkill (now Sussex County), the patent being confirmed in 1684. William Clark sold Mount Pleasant in March, 1694, to Griffith Jones, Secretary of Penn's Council and the third mayor of the City of Philadelphia. Griffith Jones sold the tract in September, 1694, to

Mark Manlove of Mispillion, three lower counties on the Delaware, Province of Pennsylvania. He was a Colonial Justice and Coroner of Kent County. In 1880, the tract was divided by the Orphans Court of the State of Delaware in and for Kent County and one portion (including the mansion) was allotted to my mother, Angeline Brinckloe Beswick-Hering; another portion was allotted to Robert John Beswick and the third portion allotted to Wm. Purnell Beswick.

Phoebe Brinckloe-Beswick was the great-granddaughter of John Curtis and a grandniece of John Brinckloe, pioneers and representatives of Kent County in Penn's Council at Philadelphia.

The dwelling on Mount Pleasant was standing in 1761, and was referred to in the will of Henry Molleston, dated in 1761. It is in a good state of preservation.

I have another tract, "Angleton," nearby, descended to me from my paternal grandmother, Mary Taylor-Hering, to whom it was devised by Colonel John Wood in 1816.

Another old family tract hard by is the Luff tract, now owned by Dr. Jefferson Moore Luff, of Felton, Delaware, descended from Dr. Hugh Luff, surgeon in Washington's Army. Dr. Jefferson M. Luff is a cousin of Hon. John Bassett Moore.

#### New Jersey Farm Started 1694

ANOTHER ancestral farm which had its inception before the beginning of the eighteenth century was the Keasbey farm at Salem, New Jersey, begun in 1694. H. B. Keasbey, County Engineer of Salem County, writes:

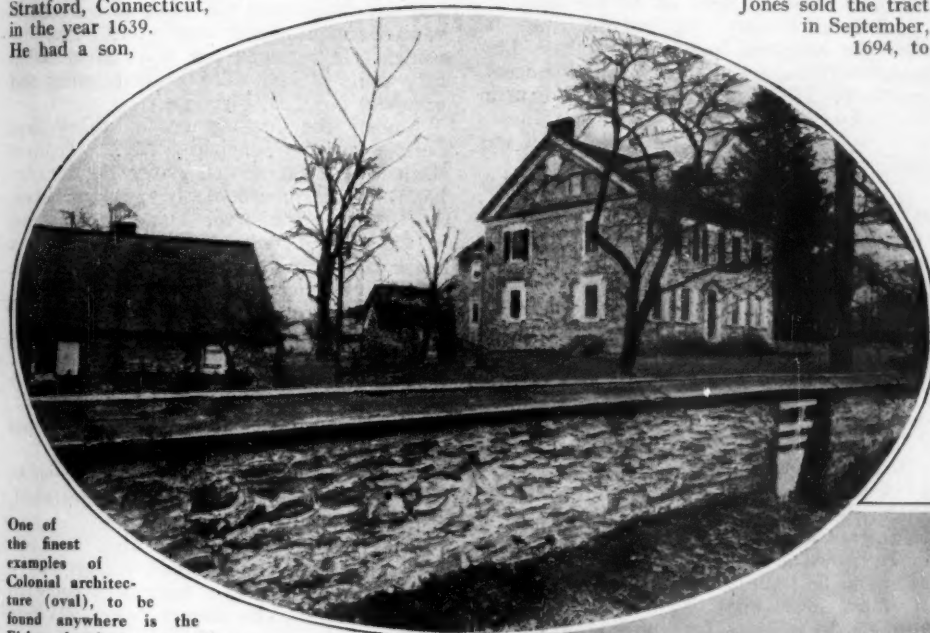
My ancestor, Edward Keasbey, came to Salem, New Jersey, in 1694 and purchased a farm, including a house and barn.

His son, Edward Keasbey, 2nd, inherited this farm and I believe built a new house, still standing.

His grandson, Edward Keasbey, 3rd, inherited this farm. He was a member of the Council of New Jersey in 1777. The British set a price upon his head, and confiscated the family homestead. He died in 1779.

My father, Quinton Keasbey, was a member of the Assembly of New Jersey in 1876-78, and later Senator from Salem County, also a member of the Common Council of the City of Salem.

I have also served in Common Council



One of the finest examples of Colonial architecture (oval), to be found anywhere is the Fisher farmhouse, at Oley, Pennsylvania. The interior woodwork, as in the guest room, was the craftsmanship of one Drexel, who received the then current wage of fifty cents a day

Joseph Boothe, who in turn had a son Zachariah. In 1663 Richard moved north to the west bank of the Housatonic River, and located at what has been called Putney. This homestead has ever since remained in the Boothe possession. After Zachariah, Daniel farmed there; after Daniel was Stephen, who was the writer's great-great-grandfather. Next in the family line was David Beach Boothe, who died at the venerable age of 97. The place is now occupied by his two sons.

These two men have purchased small parts of the original farm that had been sold, so that today the farm is of its original size, as per the original survey in their possession.

Of these two Connecticut farms, which is the older? It would be interesting and worth while for the present owners to determine the months that their ancestors took possession. Each farm has the distinction of carrying the founder's name from its begin-



and have been County Engineer for Salem County for about twenty years.

The homestead farm is still in my possession and has been occupied and farmed personally by my direct ancestors from 1694 to 1888 (except when in possession of the English military forces during the Revolution). My father in 1888 moved to a town house about one-half mile therefrom. Since then it has been farmed by a tenant. My present tenant has lived on this farm for about 15 years; his uncle lived there before him; and his father lived on an adjoining farm (which we have owned for about 150 years).

The present farming scheme is really a partnership rather than a landlord-and-tenant arrangement.

None of my ancestors above mentioned lived to see his eldest son become of age. Each generation saw a division of the family property. Each of the above purchased the share of his brothers and sisters. Each died owning more real estate than he inherited.

I am now the eldest son of the eldest son for seven generations from the immigrant.

### The Story of the Evan Farm

FROM the oldest tobacco shop in the United States, at Lancaster, Penna., comes a communication from Henry C. Demuth, a member of the American Association of Centenary Farms, who sends a clipping from the *Philadelphia Inquirer*. It is from "Girard's Talk of the Day," where mention of Mr. Sullivan's articles on old farms is made, and a comment on old farms follows, thus:

About a year ago I wrote of Joseph H. Brinton and his Homestead farm. Now I see that Mark Sullivan assumes that this is the farm in America which has longest remained in one family.

Mr. Brinton is 93 years old and is the elder brother of the celebrated Dr. Daniel G. Brinton, authority on Indian lore.

Mr. Brinton himself told me that he was born on Homestead farm near West Chester, and that five generations of Brintons had lived there before him.

Of course, the Brintons on that farm heard the news of Independence, as later they saw the wreck of battle at Brandywine, a fairly close neighbor of theirs.

Ancient, however, as that Brinton Homestead farm is proved to be, I believe there is still an older Pennsylvania farm which has remained continuous in one family.

I refer to the Evan tract in Gwynedd.

The four Evan brothers, Thomas, Owen, Cadwallader and Robert, were in that small group of Welshmen who in 1701 took title to 7,800 acres of land in what is now Gwynedd.

Thomas Evan's share was 700 acres and was equaled by only two others, William John having 1,700 acres.

Their deeds, of course, came from William Penn himself. Now, it is a fact that few American families have their family tree more securely established than that of Evan.

Hence it is a matter of undisputed history that one Evan farm has come down through 225 years to its present owner without once being outside the Evan family.

I refer to what is often described as the Ellen Evan farm. Her husband, Cadwallader Evan, was a direct lineal descendant of Owen, one of the four brothers who settled in Gwynedd in the summer of 1701.

Howard M. Jenkins is my authority for saying that this farm is the only acre of land in that historic township which is now owned by a direct descendant of an original settler.

Owen Evan owned 400 acres in Gwynedd, which everybody knows, is one of the glory regions surrounding Philadelphia.

Pennsylvania does not have the oldest family farm, in all probability. However, the greatest number of such old farms may be there. There are two reasons for this.

The first is that the soil in Eastern Pennsylvania ranks with the most productive in the whole country, and the second lies in the immobile temperament and characteristics of the settlers and their descendants. Most of New England, Virginia, Delaware, New Jersey, Maryland, and New Netherlands or New York, were established colonial settlements before Penn received his royal grant in 1681. At the beginning of the eighteenth century, even with the portions of West Jersey and Delaware which Penn had purchased as Quaker settlements, the population of the colony was below that of the New England and Southern sections.

The early industrial importance of Philadelphia probably worked against the permanence of family farms of the vicinity, yet the statement that in the near-by counties are to be found more farms with a record of from one to two centuries of lineal ownership than in any other like territory is not a random surmise.

English, German, Swiss and Huguenot stock predominated among the earliest settlers of Pennsylvania. The Germans and Huguenots of the first generation built log cabins, and it remained for the second generation to erect the substantial homesteads which have lasted until the present generation and show no signs of deterioration.

In Berks County, for instance, may be seen the ancestral home of Abraham Lincoln, where the grandfather of the President, was born. He was later killed by Indians in Kentucky. The ancestral home of the Boones is there, too, where the intrepid Daniel was born.

The Lee family in America also first settled in this Pennsylvania county, it is said. The homesteads of these families have passed into other hands, but those of the German and Huguenot settlers have not.

### Pennsylvania Pastor Sends Data

WE ARE indebted to the Rev. P. C. Croll, of Womelsdorf, Penna., for data on the family farms of this section.

The first of the pioneers who founded a family farm was Johannes Keim, who in 1698 made a prospecting trip through the wilderness, staked off a claim, then returned to Spier, Germany, where he married a Miss de Hericourt, a noble French refugee. Soon after this he returned to America and started to farm near what is now Lobachsville, Penna. In 1753, he moved westward, and built the stone farmhouse which is still in possession of the Keim family. Until very recently this farm was carried on in the old-world style of the days prior to the industrial revolution. Flax and wool from the farm were used by the family for clothing.

All meals were cooked on the open hearth, and no carpets covered the oaken floors. The china and glassware used had been brought from Europe as had much of the furniture.

On this farm was developed the Keim apple, a cross between a pippin and a hardier keeper.

In 1712 the De Turcks followed the Keims, less than a decade after the Keims' emigration. They settled near the Keims; the wives of the families were sisters. In the stone house of the De Turck family four men were ordained into the Moravian ministry; three Indians were baptized. The family was quite religious and the descendants have a copy of the Bible, in French, which was brought to Pennsylvania in 1712. A Moravian school and a meeting house were

conducted at this house before the Revolution. The school was later reestablished at Bethlehem, Penna.

Abraham Levan settled nearby in 1715, and married the step-daughter of Isaac De Turck. The descendants of this family also treasure an old Bible, brought from Germany by the founder. It is known as a Basle Bible. The Levan homestead was built in 1757, and is now owned by a Levan of the sixth generation.

Jean Bertolet was another Huguenot emigrant who settled in what is now Oley township, Berks County, in 1726. His passport, still preserved, records that he had "conducted himself piously, honorably, uprightly, and justly." His son, Abraham, erected a stone mansion on a nearby farm, which has never gone out of the family hands. The farm is now owned by Israel M. Bertolet, retired, who is aged 82 years.

### Fine Colonial Architecture

ONE OF the finest specimens of Colonial architecture in America is to be found in the Fisher homestead, of Oley, Penna. It was erected 1799 to 1801 by Henry Fisher. The farm, of about 500 acres, was purchased from Colonel John Leshner of Revolutionary War fame, in 1791. The exquisite mouldings and panellings were the work of a Pennsylvania-German master carpenter, Drexel by name. He received for his craftsmanship fifty cents a day. The present owner and occupant is D. D. Fisher.

Among the first group of thirty-three families of the Schoharie, N. Y., Palatine settlement, who floated down the Susquehanna to the mouth of the Swatara Creek, and from thence to the Tulpehocken region in 1723 was Leonhardt Rieth, who built a house and a mill soon after. The house, originally of logs, was weatherboarded after it had stood for a quarter of a century, and in that condition it stands today. From the outside it appears to be a frame house. It may be the oldest farmhouse in the country which is built entirely of wood. In 1747, Rieth, or Reed, lost his life in his grain mill and ownership passed to a son.

This farmhouse is located on the banks of the Tulpehocken, near Womelsdorf, Penna.

The farm is situated on what was formerly the site of an Indian village, and a number of Indian relics have been collected by the family. The present owner is Elmer G. Rieth (Reed), of the sixth generation.

The churches of this neighborhood are in some cases as old as the original farm dwellings, and in the graveyards are to be found the graves of some of the founders of these farm families.

While in some cases the graves are crumbling with age, these farms, begun by American pioneers, are still being farmed and with their homesteads are handed down for sons to farm.

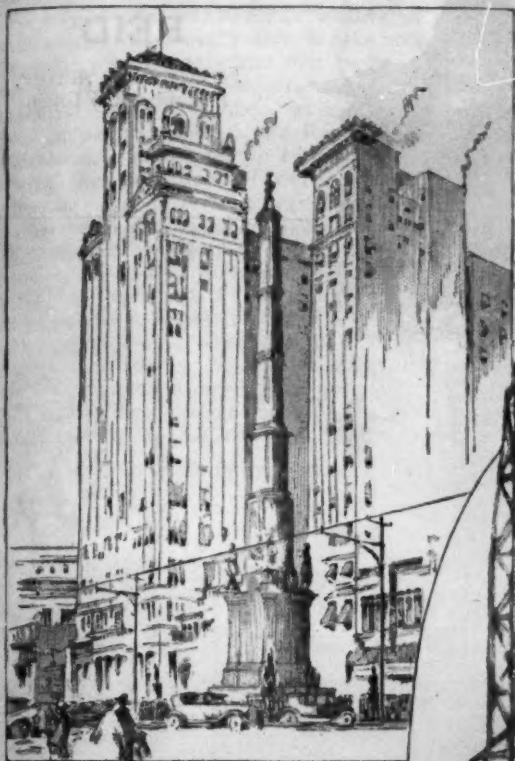
Thus is Oscar Wilde refuted, who once remarked that in America our oldest tradition was that we were a young country. The interest and enthusiasm for the quest for the oldest family farm, evident in the number of replies to Mr. Sullivan's challenge, will not be downed until the search is complete and data recorded.

Another article on old farms will appear in the next issue of NATION'S BUSINESS. Further mention will also be made in an early issue of old family business firms, supplementing the recent series by Mr. Sullivan.—THE EDITOR.



# The New South in Graphic Art

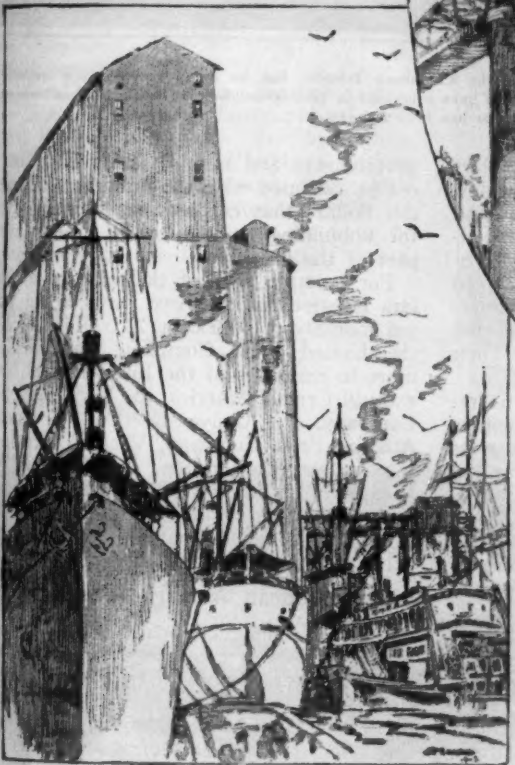
Drawings by E. H. SUYDAM



**SKYSCRAPERS** sketch a modern background for the Confederate Memorial at Augusta, Ga. (left)

From the Vieux Carre, city of old romance, arise the towers of the modern Crescent City, New Orleans (right)

A glimpse of Jacksonville, Fla., through the arch of the municipal bridge that spans the St. Johns River (center)



**AT** the head of its bay, thirty-five miles from the Gulf, is Mobile, Ala., an important Southern commercial center and a dominant Gulf port (left)

Twenty miles from the Atlantic, on the Savannah River, is Savannah, Ga., a city and port of commercial importance in the life of the new South and memorable in the tradition of the Old (right)

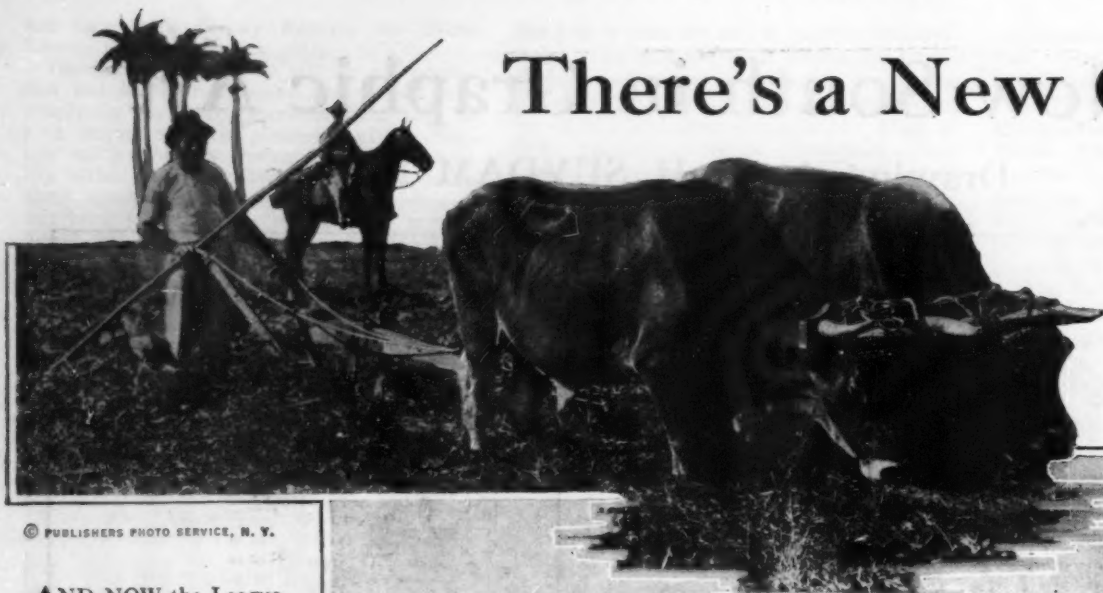


**NOTEWORTHY** in themselves as effective use of art in industry, these drawings are typical of the marvelous enterprise of the New South. They were drawn for the Southern Railway and are indicative of the way in which the railroads are working for the development of the communities through which they pass and whose industries they serve

# There's a New Caribbean

By WILLIAM A. REID

Foreign Trade Advisor,  
Pan American Union



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**A**ND NOW the League of Nations talks about trade! Flushed with war-restraining victories, the League's scrutinizing eyes are cast over a slowly recovering business world.

Commerce, says the League, radically differs from its status in ante-bellum days. Europe's part in international trading has decreased 40 per cent, while numerous nations of the newer Western World are shown to have embarked on the advancing tide of commercial progress. The United States, Canada, and one eastern nation, Japan, have made the most pronounced strides.

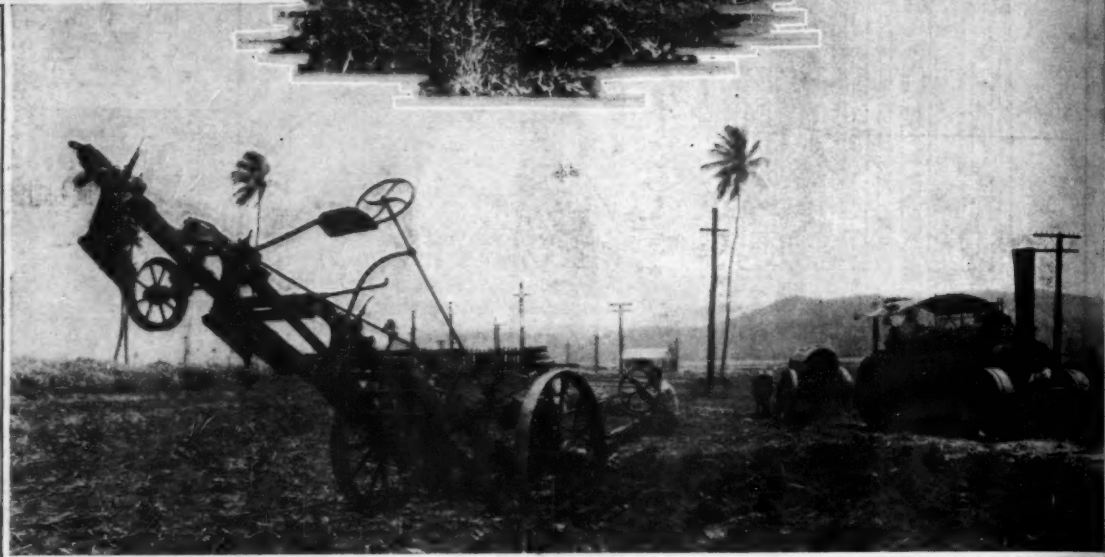
But there's a new-born Caribbean! Rising republics and growing colonies are at our doors. As evidence of these facts let us glance at what the dollars are doing—how American money and American goods are moving southward. Never before has the financial man responded more liberally to the call of the Caribbean, and never have Europe and America sent forth larger orders for the products of these tropical lands.

Before glancing at the work of the dollars, however, let us verify certain statements. We remember that there are *two* Leagues of Nations. One was born amid Old World chaos and sorrow; the other—the union of all western republics—is a product of a peaceful era. As a part of their achievements, each of these great organizations has at least thwarted one armed conflict—one war. Harbingers of peace, they are also builders of trade. Do their statements or declarations agree—do they harmonize? Let us see.

## Trade Doubled in Decade

**SAYS** the League of Nations: "Cuba, Honduras, Salvador, the Dominican Republic, and Mexico have, in eleven years, about doubled their trade with other nations."

Speaking through its statistics, the organization of American nations, the Pan-American Union, shows that Cuba's trade amounted to \$724,600,000 last year, a figure double that of a decade ago. Honduras



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Man could not improve the quality of the fruits and vegetables of the Caribbean Islands, but he could increase the quantity and improve methods of cultivation. European and American brains have combined to give island farming mechanical advantages and consequently human labor has been reduced

doubled her trade and had a million dollars additional during the same period; Salvador, the Dominican Republic, Venezuela, and Mexico are shown to have accomplished similar or even more remarkable advances. Colombia's commerce has more than quadrupled in fifteen years. So, examining the commercial movements of nations, the two Leagues draw practically the same conclusions. Their figures approach unanimity.

But there's a new Caribbean, let us repeat, where figures are not needed to confirm the facts. The way to verify this progress is to go forth on the waters and among the countries of that fabled region. That is where and how the writer obtained the field facts upon which this story is based. It was the twelfth tour of commercial scouting in eighteen years. First, is that all-important factor—money.

The United States has made to Colombia the fourth payment of the \$25,000,000 due on the Panama controversy; in 1926 the fifth and last instalment will be paid. In 1921 Colombia borrowed \$10,500,000 in the United States. Her latest loan about to be floated here amounts to \$50,000,000.

Cuba obtained \$30,300,000 in 1921 and \$5,000,000 a year later, and \$50,000,000 in 1923. Within a few years we have lent the Dominican Republic more than \$9,000,000; Haiti \$16,000,000; Honduras \$75,000; Mexico \$2,500,000; Nicaragua, \$9,000,000; Panama, \$4,500,000; the city of Bogota, \$5,000,000; etc. These loans are largely to

governments and municipalities and should not be confused with the millions of American dollars that corporations are supplying for upbuilding enterprises in almost every part of the Caribbean.

For example, look at the millions of dollars invested and the vast sums being paid out monthly to 60,000 or 70,000 workers of the United Fruit Company, and millions more to employees of the International Railways of Central America, the Barber Asphalt Company, the Guayamul Fruit Company, Atlantic Fruit Company, Vaccaro Brothers, the Andean Corporation, the Tropical Oil Company, La Romana Corporation. Those few names are typical of various other American companies that are turning primeval lands into productive regions.

## Caribbean Acting New Role

**I**N THE economic portraiture of nations, the Caribbean countries now stand in a new character. Lands of riches and revolutions in romantic tales, they are advancing to a larger place in the economic sun through the bloodless conquests of modern captains and corporals of commerce and industry. Great ships deep freighted with the costly cargoes of this day now safely ply the waters once roiled with the sluggish hulks of treasure-ravished galleons, and business rules with reason on shores pillaged by piratical rogues and lawless adventurers of the long ago.

These tropical lands still beckon to the Old World and to the New World with in-



vation to turn the wealth of natural resources to a productive usefulness. And the Old World is responding with an emigration that assures a labor supply necessary for profitable development. These newcomers, of course, become consumers as soon as they become producers, and they indubitably constitute a customer market of impressive magnitude.

To suggest the cosmopolitan quality of the immigrants, it is worth while to take note of specific movements. The first party of colonists from Czecho-Slovakia arrived in Guatemala, and its members settled themselves on plantations of Santa Rosa. This immigration is in accordance with contracts between the Guatemalan Government and authorities of the Czecho-Slovak Republic.

It is the beginning of a movement that may transplant thousands of thrifty workers to coffee, cattle and banana lands of Guatemala. It introduces a new and energetic race of people to a country that has a small population, many of whom are of Indian ancestry and not too fond of systematic labor. Every year, according to agreement, the Czecho-Slovak colony is to be augmented from the homeland.

#### A German Colony in Panama

**D**URING recent months a German colony has been turning a wilderness area of the Panama Republic into a livable community. The vanguard of fifty men, women and children arrived a year ago. Today their little homes reflect contentment, work and production. A highway is being constructed from Panama City toward the hamlet, and, as other settlers are coming from Germany, the outlook is encouraging for turning jungle lands into productive small farms.

Germans, Spaniards, Italians and other Europeans are arriving in Venezuela in small numbers, such as from 10,000 to 21,000 per year.

Colombia, Costa Rica, Nicaragua, etc., are likewise receiving Europeans of emigrant classes each year. British, French, and Dutch colonies in Caribbean regions are also providing homes and employment for people from congested districts of Europe. Even India has sent its quota of Hindu immigrants to Trinidad, Panama,

and elsewhere. Mexico, however, has outdistanced most Caribbean and Gulf of Mexico areas in acquiring new peoples. About 150,000 arrived from Europe in 1924. Some, of course, emigrated, but even then the Mexican Republic's population in that one year increased approximately 57,000 by immigration.

#### Immigrants Come to Stay

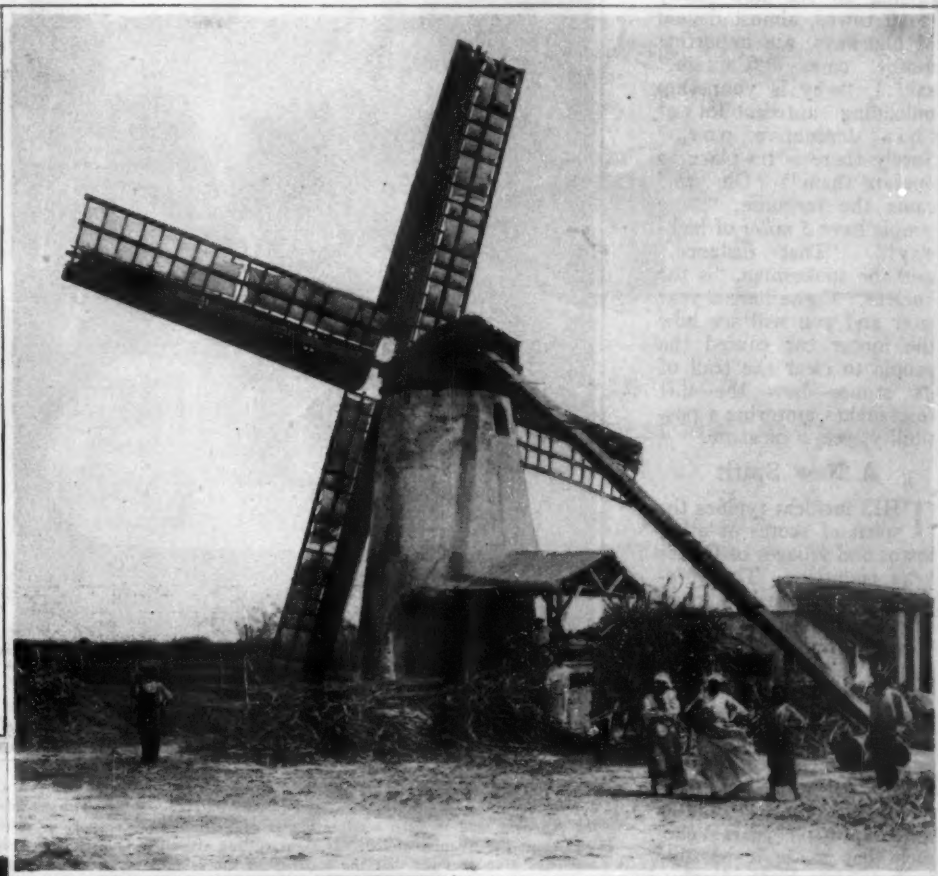
**I**N 1924, European immigration to Cuba amounted to nearly 10,000 more than for the previous year, which was about 75,000. These immigrants, as a general rule, come to stay; and many of them find employment on sugar-cane plantations, at a wage far above that prevailing in Europe.

Probably the greatest captain of Caribbean industry is the foreigner who spent fifty-four years of his life in and out of Central American jungles. This man typifies virile strength and progressive spirit which have not been shattered by long residence in the tropics. His name is Minor C.

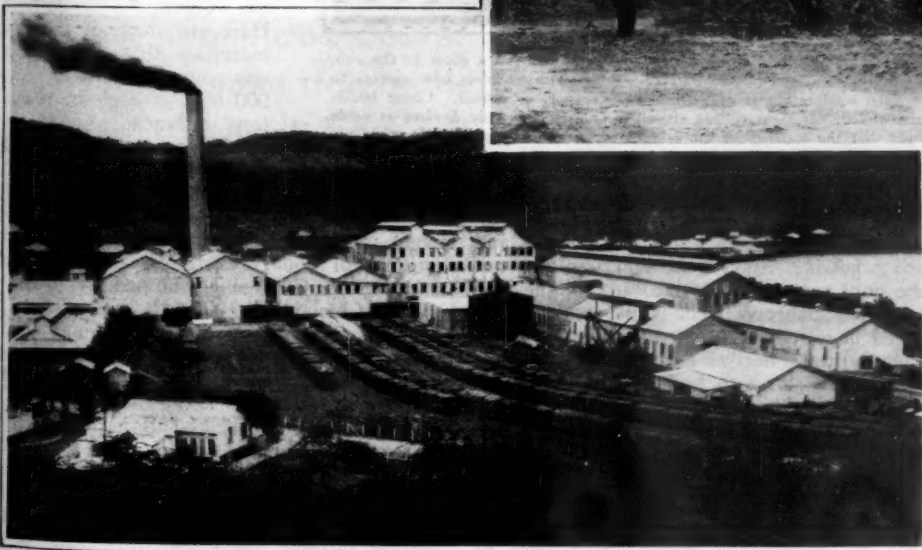
Keith, co-founder of the world's greatest agricultural enterprises. Today this corporation is operating in eight countries of the Caribbean region. In raising bananas for the millions, many other industries have from necessity been developed, such as cattle ranches, railroads, hospitals, ship lines, modern dairies, schools, playgrounds, etc.

But Mr. Keith, who is now president of the International Railroads of Central America, continues to lead in transportation extension. Five thousand laborers today are strung along 200 miles of railway routes. By next year, Salvador coffee may come to New Orleans by direct rail across Guatemala to the port of Barrios, a route 1,000 miles shorter to the consumer than via San Francisco. President Keith expects the southward-building railway to reach the Panama Canal in 1933.

Throughout the Caribbean area one sees how mechanical energy is replacing physical strength. Perhaps first of all these devices operating in small units are the electric



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Since the beginnings of civilization in the Caribbean, primitive methods of employing power have been in use, giving a touch of quaint charm, but lacking in efficiency. Lower picture shows the Guanica, Porto Rico, sugar mill, one of the largest in the world. The laden freight cars have been loaded at the cane plantations, with no lost motion

"mules" used about the docks at Cristobal. There are over 200 of these "mules" each operated by one man—a driver who stands on the front platform and who receives about 23 cents an hour for his services. The machines have long arms with tremendous lifting power, and the operation is in the hands of the driver. The little "mule" runs close to and picks up 8, 10, and 12 barrels of cement, let us say, quicker than it takes to write this sentence. It not only handles barrels of cement, flour, etc., from the ground floor, but, if necessary, removes upper tiers of commodities. Cement and flour are but two of the heavy commodities that are handled and transhipped by this machine. They replace or do the labor of hundreds of men in quicker time and at lower cost. Another influence observed

among these republics is the introduction of tractors. A man with a machete and other hand implements may, in a lifetime, clear a small acreage of jungleland; a number of such workers have brought larger areas nearer cultivation. But the caterpillar tractor simply attacks the forest and crushes everything within its course; it mashes down and drags out; it plows, harrows, plants and markets. It spells mass production.

Another illustration: A decade ago, bananas were loaded by men and women, with fruit on their heads and songs on their lips. Today the hum of the giant steam banana loaders remind us of how mechanical energy surpasses frail human strength and also quickens cargo movement.

As the tractor attacks the jungle, similarly the motor car attacks the primitive trail. It is really surprising to see how many small towns, almost devoid of highways, are importing motor cars. "Captain," said I, "why is your ship unloading automobiles at this diminutive port? Surely there is no place to operate them." "Oh, yes," came the response, "these people have 5 miles of highway!" "That distance," said the spokesman, "is the nucleus. Come here a year later and you will see how the motor car caused the people to clear the trail of its stones—how the dirt road makes motoring a possibility, yea, a pleasure."

#### A New Spirit

THIS incident typifies the spirit of scores of other towns and villages of Caribbean countries. The automobile has made its appeal, is being imported in increasing numbers in every mainland country and in most of the islands of the Caribbean. Cuba alone is raising \$300,000,000 largely by taxation, to be expended during the next ten years for highways and public works. In five years Venezuela has made it possible to motor hundreds of miles, and present and prospective road-building in that republic is the most important upbuilding influence after petroleum development.

A ten-year period has wrought striking progress in Caribbean oil development. The basin of Lake Maracaibo is sending out to the world 25,000,000 barrels of crude petroleum this year! A decade ago, geologists and well drillers were just arriving in the jungles around this lake. Now there's a new and expanding business for Venezuela.

Colombia illustrates similar development; and the Magdalena River tankers that bring oil downstream to Barranquilla are inadequate. I watched hundreds of workmen toiling in the tropical sun near the Magdalena. They are laying a 12-inch pipe-line from Cartagena to Barranca Bermeja, the latter nearly 400 miles from the sea. Would

capital make this \$10,000,000 investment in an oil outlet if the supply had not been assured?

These "oil empires" bordering the southern Caribbean seem called to provide for the world tomorrow what similar areas in Mexico and the United States have been doing for decades. Caribbean fields of production are in the dawn of their activity. The greater they become, the louder is the call for American-manufactured goods. Oil changes

from the ship at Puerto Colombia. The English salesman approached me and requested a copy of the picture. Said he, "I want my firm to see what a big order they missed getting. The photograph will tell them more than all I can write; it should teach the lesson that America is competing and winning. Our methods need a revision. However, it is friendly competition and I'm a good sport."

In Cuba the Chinese are becoming the champion pineapple sellers; in Colon the Hindus have splendid shops and their salesmen reap rich rewards; in Panama City the Sikhs of India retail their goods; Yucatan has her Syrian merchants; in Colombia and Venezuela the Germans, with their unusually attractive new catalogs, are doing well.

#### What Americans Sell

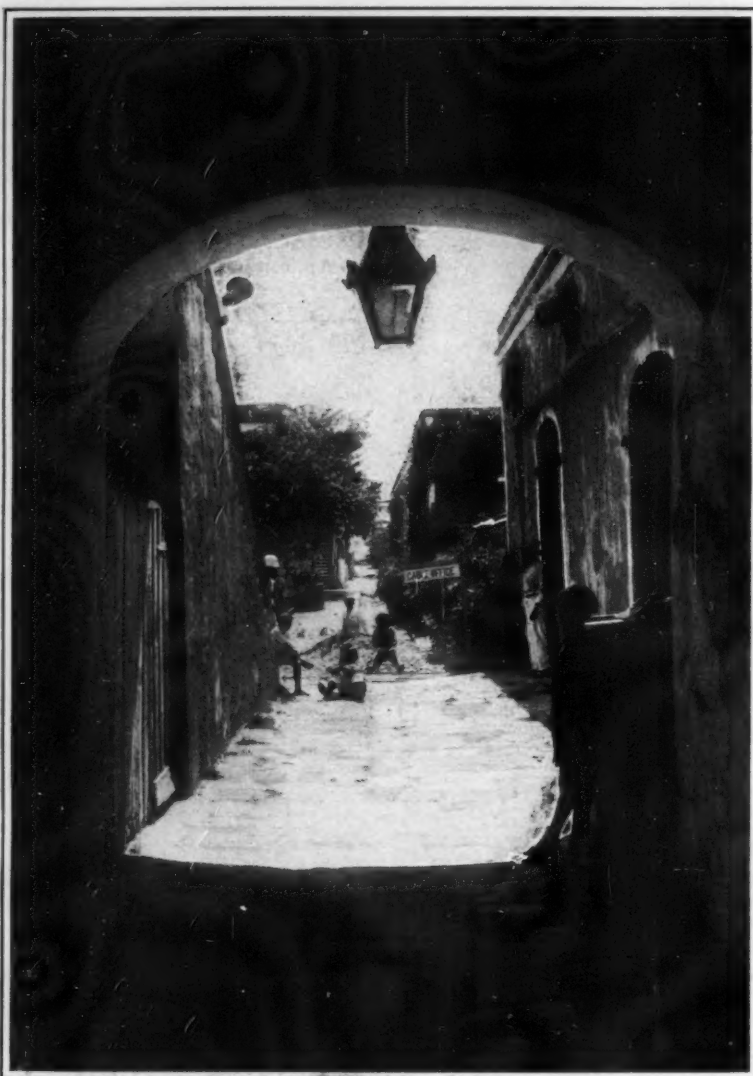
WHAT classes of goods are the American salesmen placing in the Caribbean countries? Here are some of the large orders sold to Colombia in a recent year: 8,000 sewing machines, 400 motor cars, 79,000 barrels of cement, \$2,000,000 worth of cotton goods, \$800,000 worth of lard, \$500,000 worth of barbed and plain wire, 10,500,000 pounds of galvanized iron sheets, \$2,000,000 worth of tractors and agricultural implements.

These are a few of the many classes of goods Colombia and her sister republics are purchasing in the United States. The imports indicate that Caribbean countries are not advanced in manufacture and must depend on other nations. The United States is near, there is mass production, and in many cases our prices can meet European competition.

What are we buying from the Caribbean countries? Here are some of the raw materials that came from one country last year: 33,000 tons of asphalt, 10,000 tons of cacao, 1,000 tons of hides, 14,000 tons of coffee, 3,000 tons of copper. Colombia alone sent us

\$38,000,000 worth of coffee and many thousands of bunches of bananas; Cuba supplied millions of dollars worth of sugar, tobacco and cigars; Guatemala shipped us \$50,000 worth of honey and quantities of hardwoods; Mexico contributed oil, chewing gum (chicle) and scores of other materials. Indeed, the list is long and the products almost vital to our progress and existence.

Another barometer of international commerce is the Panama Canal, whose governor says, in substance, that traffic moving to and fro in 1924 amounted to more than 7,000,000 tons greater volume than that passing through the Canal during the previous year. And, may we add, a considerable percentage of this traffic originated in or was destined to countries of the Caribbean.



The Antilles, for long the rendezvous of pirates, have always enjoyed a place in the sun, even though they were little affected by the outside world. The world is now coming to the Antilles, and modern civilization is just around the corner, or nearer. Older buildings show the Spanish touch, but signs calling attention to such energetic devices as cable facilities give promise that the fertility of the islands is due to be vigorously put to use by more efficient and modern folk

to money, and a portion of the money returns to the United States for derricks and other goods. Americans, however, are not the only nationals who are busy in the new oil areas. European companies are also engaged in oil exploitation, and their activities have brought hordes of European laborers and business men to both republics.

American salesmen are to be seen in many ports of the Caribbean area. Likewise, the salesmen from England, France, Germany, Italy, Japan, China, and India. Competition often waxes warm. In a Colombian town, an Englishman and an American were competitors for the sale of a large amount of wire fencing. The American won.

I took a photograph of the hundreds of bundles of wire as they were discharged



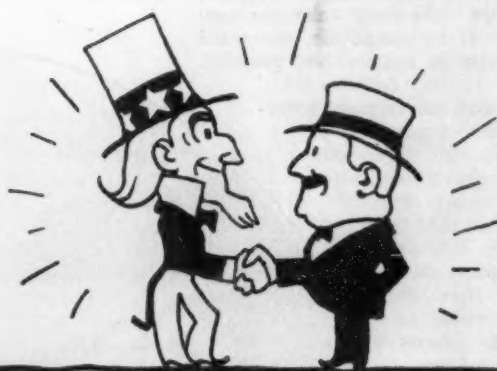
# The Business Man's PRIMER

5

MORE THAN 750 JINGLES  
WERE SUBMITTED BY  
SOME 140 CONTRIBUTORS  
AND IT WAS NO SMALL  
JOB PICKING THEM OUT!



**Q** Is for Questionnaires  
Simple and small  
Just a few lines to fill—  
Day's work — that's all  
(THEODORE VELTFORT  
WELLESLEY MASS.)



**R** Is for Reason  
There'll be in each Tax  
When Business and Government  
Bury the Axe

(T.S. REPPLIER  
WASHINGTON)



**S** Is for Shingle Bob  
Fashion's decree  
Looks fine on Income Tax  
Take it from me

(E. UTH  
BELLEVUE KY.)



**T** Is for Taxes  
We pay them because  
Congress needs money  
To print all the Laws

(JEROME HEYMAN  
NEWARK N.J.)

WELL, HERE YOU ARE!  
THE LUCKY WINNERS  
OF \$10.00 EACH FOR  
THE ABOVE JINGLES!  
NEXT MONTH WILL BE  
THE LAST TIME SO HURRY  
THEM ALONG FOR THE  
REST OF THE ALPHABET!

Giant's  
Dum

# "Farmers Don't Grumble to Me"

By J. F. JARRELL

Manager, Agricultural Development, Santa Fe Railroad

"IS CONGRESS going to do anything for the farmers?" I asked the president of a county farm bureau in California.

"The best way to answer that question," the farmer said, "is to tell you about a discussion which lately took place between my wife and daughter. It was over the use of the words *hope* and *expect*. My daughter contended that they were synonymous terms and could be used interchangeably, while my wife insisted that the words had entirely different meanings. Finally my wife clinched her side of the argument with this illustration: 'Now,' she said, 'take the case of your father. If he should die, we would *hope* to meet him in heaven, but wouldn't *expect* to.'"

"Is that the way the farmers generally feel about it?" I asked.

"With scarcely an exception," he replied. "Farmers around here made up their minds a good while ago that if they ever got out of the difficulties in which they found themselves shortly after the World War, it would be by their own efforts along the lines of better methods, and not by anything Congress would do; and they are getting out. Our condition has been slowly but steadily improving for three years."

## Farmers Are Patient

FARMERS are a patient people, else they surely would land with a mighty swat on politicians, editors and other sobsters who, forever, are passing the hat for them.

"So much sympathy has been expended on me that when I am in town I feel like a customer at a rummage sale," I heard a Kansas farmer say, as he unloaded \$35 worth of poultry and eggs, cream and garden truck at a general store. "My wife and I sell from \$25 to \$40 worth of miscellaneous produce every week, and that takes care of all the purchases we have to make for the house, and adds materially to the savings account. We make it a rule never to touch for household purposes the proceeds from the sale of crops and livestock. We produce most of our food. In 1926, we cleared \$1,850 on our farm, which I venture to say was as much in proportion to investment as was made by the general run of business men in our town. Yet I am classed with the down-and-outers, and always there is somebody getting up a bill for me and my kind. If it were not so humiliating it would be a joke."

I talked later to the president of the village bank about the experience of this farmer.

"That young fellow," said the banker, "came here from an adjoining county at the end of the war with a bride, \$1,000 in

money, a team of horses, two cows, a couple of brood sows, a flock of chickens and enough farm machinery and household furnishings to start operations.

"They bought a run-down eighty-acre farm for \$60 an acre, or \$4,800, paying \$800 down, and went to work. There was an old house on the farm, and there they lived. They have in six years paid the \$4,000 debt on the farm, rebuilt and refurnished their house, built a barn and made other improvements, developed a good dairy herd and accumulated other stock. Their farm and

friend who lost money on his farm has political aspirations, so he put in a good part of his time going over his somewhat extensive district looking after his political fences in preparation for the campaign this year. In his speeches he said the farmers were in a bad way, and that Congress should act.

The statements quoted and others heard inspired me with the notion of getting some first-hand information from farmers elsewhere about how they actually are getting along, and the opportunity of doing so was available because my work in January, February and March of this year was laid out to take me into the states of

Illinois, Iowa, Missouri, Kansas, Nebraska, Oklahoma, Texas, Louisiana, Colorado, New Mexico, Arizona and California. These states are the principal producers of food products in the United States, and comprise the only large section of the country in which the number of farms in 1925 was substantially in excess of those in 1920.

## Farms Increase

THE census department shows the number of farms in the United States in 1925 to have been 6,372,263, an increase of only 75,735 in five years. Of this increase 60,943, or 80 per cent were in the states named.

Agriculture in these states suffered reverses in 1925, but the results were more favorable on the whole than were expected, due to better prices. The twelve states named produced in 1925, 57 per cent of all the wheat in the United States, 52 per cent of the corn, 41 per cent of the oats, 32 per cent of the barley, 76 per cent of the rice, 40 per cent of the sugar beets, 46 per cent of the cotton, all of the lemons, all of the grain sorghums, 93 per cent of the grapes, 60 per cent of the oranges, 45 per cent of the peaches and pears, and 99 per cent of the broomcorn.

So here was a good field for my investigation. I started with a plan to interview 100 dirt farmers in the twelve states. I took them as I met them, and eliminated all renters; those living in town, and those whose assessed valuation was more than \$15,000. I did not even interview any farmers living close to a large city. I confined my self to the average farming communities outside of big town environment. I prepared a list of questions and put them to all the farmers with whom I talked. Here is the result:

Number farmers interviewed.....	100
Number who had bathrooms before the war....	19
Number who have installed bathrooms since the war .....	39



This southwestern "Maude Muller" is a successful and prosperous alfalfa farmerette

personal property now are worth at least \$11,000. They owe nothing, and have money in and credit at the bank.

"This farmer is as good a business man as any business man in our town, and has done as well as any of them. He diversifies his crops, sells most of his crops on the hoof, keeps books on his operations and works—works, and uses his head: that is the secret of his success."

Across the road from this successful young farmer lives a neighbor who owns 160 acres, and who is one of the farmers reported in this story as having lost money last year. He had all his farm except 10 acres in wheat, and it wasn't a good year for wheat.

The Kansas way to run for office is to start a year or longer in advance. Our



Number who had water in houses before the war	21
Number who have installed water service since the war	49
Number who have telephones	91
Number who have modern lighting equipment	50
Number who engaged in dairying and poultry raising before the war	14
Number who engaged in these activities since the war	65
Number who have at least five sources of farm income	80
Number who have radio	55
Number who own automobiles	89
Number who take one or more daily newspapers	59
Number who take one or more weekly newspapers	97
Number who take one or more farm papers	96
Number who take one or more magazines	98
Number who have pianos, organs or graphophones	95
Number whose families attend movies or other theatrical attractions at least twice a month	90
Number whose families attend church services at least twice a month	73
Number whose families hold or attend social functions at least twice a month	93
Number whose families belong to civic, fraternal or social organizations	60
Number whose families cast at least one ballot at the last general election	88
Number who made money last year	80
Number who came out about even last year	11
Number who lost money last year	9

### No Thought of Congress

FARMERS interviewed did not complain about existing laws. They volunteered no suggestions as to what Congress ought to do in their interest. Asked for their views about pending legislation, they were inclined to back away from the questions. They were not sure whether the several bills, if passed, would be helpful, or harmful, but they were not getting excited over them because they were sure nothing of importance would go through the legislative grind.

These hundred farmers, I am convinced, are typical of the families who own and operate farms worth from \$5,000 to \$15,000 in the southwest country from Chicago to the Gulf of Mexico and the Pacific Ocean, and I have an idea that they are typical of the general run of farm families similarly situated throughout the United States.

Merchants in nearly every place I stopped told me that the farmers are in the market for more merchandise of various kinds than at any time since 1920. Following the post-war depression farmers engaged in a strenuous campaign of debt paying. They managed to get along with their old machinery, old furniture, and even clothes, in order to be rid of their debts. The farmers' indebtedness has been substantially reduced, but they need new equipment and are buying more liberally. Their activity in this respect is reflected in all lines of industry—retail, wholesale, manufacturing, transportation, and production of raw material.

"Evidently there is a revival of interest on the part of young people on the farm," I said to a young man in Texas, a graduate of the Texas Agricultural and Mechanical College, and who did the talking for his father and mother at their home where I

spent an evening. "What's the cause?" I asked.

He told me all about it, and, in substance, it is this:

Until a few years before the war farm boys in agricultural colleges mainly were educated for outside jobs, not to operate farms for themselves. After graduating they took employment as county agents, or ranch managers, or managers of development projects, with railroads, which was all right, of course, for there was good money in positions of that character; but the field was limited, and in time fully occupied.

Then the graduate turned to dad and the old home place.

movement for better farm living conditions started—was started, not by Congress, but by the farmers themselves, prompted by the boys and girls home from college.

The average farmer is ambitious for his children; wants them to have an education, and is willing to spend his money, often lavishly, that they may go to school. John, for instance, takes a course in the State Agricultural College or the State University; lives comfortably four years in a steam-heated house; enjoys the advantages and luxuries of electric lights and a well-appointed bathroom; participates actively in the school's social affairs, and does other things which make life pleasant. Then he returns home.

For a few months he gets up before daylight and works till after dark; does his reading by a smoky coal-oil lamp; washes at the pump and bathes Saturday night in a wash-tub in the kitchen. One or two things likely will happen; John will induce his father to construct a home plant with modern conveniences, and operate it with more system and less toil and grind, or he will get a job in town, and the country will see him only at Christmas time.

Many farmers, realizing that in the experience described they were confronted by a condition rather than a theory, awakened to the importance of the situation, and made plans to meet it. That accounts for the revival of interest in rural education, community center organization, home improvement work, etc.

### Let-Down Follows War

THEN came the war. The agricultural depression following the cessation of hostilities was due to overproduction as a result of the let-down of foreign demand, and lack of marketing facilities, cooperative and otherwise, which made it impossible for the farmer to keep the prices of the things he had to sell in line with the things he had to buy.

In their desire to do what they could to win the war, farmers went in pretty heavily for wheat in some sections, cotton in others, and livestock generally. But the farmers could not change their plans when the war ended suddenly.

The program which they had commenced had to go on for a year, and by the end of that year the depression had arrived, and the slump in prices due to the termination of hostilities made a great deal of trouble for them.

But the farming industry is recovering steadily. The farmers are again diversifying—more than ever before. Livestock sustained the heaviest losses of all farm activities, and has had the longest trip back. Prospects for livestock now are brighter than they have been in half a dozen years.

I believe I can qualify as an expert in hearing what the farmers, particularly those in the southwest, are talking about. My job keeps me among them all the time. Since the war I have operated eight farm demonstration trains in cooperation with the agricultural colleges of six states, and conducted agricultural enterprises of various kinds in six other states.

Farmers don't grumble to me. They

There is a revival of interest on the part of young folk in farm activities, evidenced by Kenneth Box, 12, winner of California dairy honors



Buckling down to work and applying modern methods learned at school, the alumnus began to make a transformation on the farm. Dad might have had old foggy notions, but just the same, he was proud of the boy and readily succumbed to the latter's arguments for the new-fangled plans. The boy with his science and dad with his practical experience generally made a successful partnership.

### Desire to Win Is Strong

THE spirit of contest in farmers is strong when once aroused. If Smith raises 75 bushels of corn to the acre, Jones thinks he can beat it and goes after Smith's record; and most farming communities are enlivened with contests started by boys fresh from school. Boys and girls' club work in the rural districts grew out of this spirit of contest.

The drift of young folks from farm to town in the Southwest was heaviest shortly before the war, and about that time the

point with pride to their modern schools, better churches, good roads, comfortable homes and the attraction of community centers. Magazines and the big dailies have grieved about the going of the rural church, meaning the old-fashioned church in the country away from any town. Farmers say there is nothing at that. They go to the small town church to attend religious services held at the community centers. They may have to travel ten miles, but the flivver will take care of that difficulty in a few minutes. They simply are outgrowing the rural church.

Several farmers called my attention to the city talk of "back to the soil," which they characterized as bunk, indulged in by people

who have no intention of taking the advice they hand out so freely.

Farmers say that the country will welcome the city man who, after due deliberation, goes in for rural life because he likes it, and is ready to enter into the spirit of it, and be a part of the community, taking pride in its institutions, and bearing his share of its burdens; but they want him to appreciate the fact that it requires as much sense to run a farm and make it pay good returns as it does to run successfully a store, a railroad, or a hospital. It seems that there are town people who have an idea that anybody can go "back to the soil" and shine in the wonder of agriculture.

I hear city men say that the farmers are

not well organized; that when they get an organization they don't stand together. That is sure, I learned upon inquiry of the farmers themselves; but I also have learned that the highly trained business men of long experience don't always stand together. The human elements of jealousy, greed and suspicion are found to a greater or lesser degree in men of all stations, and often it is difficult to overcome them; as difficult sometimes for the trained Napoleon, who belongs to an association of manufacturers or merchants as it is for the owner of an 80-acre alfalfa farm. The farmer's foot has slipped oftener than that or his more experienced town cousin, but he slips less as time goes on.

## Self-Government in Business

*Basic Subject Annual Meeting United States Chamber, May 10-13*

**S**ELF-GOVERNMENT in business is to be the basic subject for discussion and consideration at the Fourteenth Annual Meeting of the Chamber of Commerce of the United States, Washington, D. C., May 10 to 13, inclusive. This underlying topic has been amplified in the development of the program for the four general sessions to include a definition of the government position with regard to the regulation of business, the relation of the states and the Federal government, local and state taxation and budgeting, and the trend of consolidation in American business.

### Officers and Speakers Named

**I**NCLUDED in the list of speakers and presiding officers for the general and group meetings are:

John W. O'Leary, president of the Chamber; Governor Albert Ritchie of Maryland; O. H. Cheney, American Exchange Pacific National Bank; Theodore Whitmarsh, Francis H. Leggett & Company; John B. Miller, Southern California Edison Company; Henry D. Sharpe, Brown & Sharpe Manufacturing Company; Julius H. Barnes, Barnes-Ames Company; S. W. Wade, Superintendent of Insurance of North Carolina; Milton E. Marcuse, Bedford Pulp & Paper Company; George B. Ford, Technical Advisory Corporation; H. A. Smith, National Fire Insurance Company; Royal W. France, Salts Textile Company; A. L. Humphrey, Westinghouse Air Brake Company; William Fortune of Indianapolis; E. T. Meredith, The Meredith Publications; R. Goodwyn Rhett, Peoples First National Bank of Charleston; James S. Kemper, Lumbermen's Mutual Casualty Company; Dr. Julius Klein, United States Bureau of Foreign and Domestic Commerce; Fred I. Kent, Bankers Trust Company; W. M. Garrard, Staple Cotton Growers Cooperative Association; A. J. Brosseau, Mack Trucks, Inc.; J. B. Reynolds, Kansas City Life Insurance Company; F. L. Garlock, Iowa State College; L. A. Lincoln, Metropolitan Life Insurance Company.

Of the subjects selected for discussion at the luncheon meetings, the domestic distribution group will consider principles which should be applied to merchandising by instalment selling, the trade relations committee as a means for developing self-government in business, and the practical uses of a distribution census and how it may be accomplished. For this group Theodore F.

Whitmarsh will be chairman, and Alvin F. Dodd, manager of the Department of Domestic Distribution, will be secretary.

Subjects to come before the foreign commerce group include: How the American Chamber of Commerce abroad helps the American foreign trader, the relation of American Chambers abroad to United States and foreign governments, and American dependence on imported essential raw materials. Henry D. Sharpe is to serve as chairman for this group, with C. D. Snow, manager of the Chamber's Foreign Commerce Department, as secretary.

Under the chairmanship of H. A. Smith, the insurance group will discuss insurance service during 1925 and 1926, and the supervision and regulation of insurance. Consideration will also be given to the drafting of resolutions on reports from committees which have investigated compulsory automobile insurance and vital statistics. James L. Madden, manager of the Chamber's Insurance Department, will be the secretary of this group meeting.

Problem's of city traffic will be presented to the transportation and communication group under the chairmanship of A. L. Humphrey, with Col. A. B. Barber, manager of the Chamber's Department of Transportation and Communication, as secretary. Three aspects of the general topic are to be: Coordination of city transportation; rail, water, bus and traction terminals in relation to the traffic problem; and what commercial organizations can contribute to the solution of the traffic problem.

The desirability of self-government in industry and how to accomplish it will engage the attention of the natural resources group. Four industries, hydro-electric power, coal, lumber, and oil, have been selected to give direction to the discussion. At this meeting Milton E. Marcuse will preside. Walter DuB. Brookings, manager of the Chamber's National Resources Production Department, is the secretary.

### To Discuss Cooperatives

**F**OR the agricultural group meeting the topics announced are: The agricultural outlook, and what of the corn belt? and industry's stake in cooperative marketing. This group will meet under the chairmanship of E. T. Meredith, with William Harper Dean, manager of the Chairman's Agricultural Service, the secretary.

The realtor and his community has been

selected as the general topic for discussion by the civic development group, which is to meet under the chairmanship of R. Goodwyn Rhett. Included in this topical consideration will be: How far can self-imposed standards of practice do away with the need of regulation by the state or municipality? The opportunities of the organized real estate business in city building, and what the organized real estate business can do to aid in securing adequate housing. The secretary for this group is John Ihlder, manager of the Chamber's Civic Development Department.

For the finance group discussion, to be directed by Fred I. Kent, the subjects announced are: The improvement in European finance and its effect on the United States, the pros and cons of instalment financing, Federal Reserve problems, and taxation. John J. O'Connor, manager of the Chamber's Finance Department, is the secretary for this meeting.

Foreman training as an essential to plant self-government, and the present attitudes of employer and employe toward wages are the subjects to come before the manufacture group.

At this meeting A. J. Brosseau will preside, with E. W. McCullough, manager of the Chamber's Department of Manufacture, the secretary.

### National Councillors Meet

**A** MEETING of the National Councillors, and a luncheon for them as the guests of President O'Leary and the Chamber's directors are scheduled for Monday, May 10. The program for the first day also includes the nomination of directors, the award of prizes in the Chamber's national fire waste contest, and the annual dinner of the American Section of the International Chamber of Commerce.

Other dinner meetings, to be held Tuesday evening, include: The National Association of Commercial Organization Secretaries, American Trade Association Executives, and American Chambers of Commerce abroad. On Wednesday morning the presidents and secretaries will be the guests of President O'Leary at a breakfast, and on Wednesday evening the annual banquet will be held.

Among the entertainment and recreation features announced in the preliminary program are the reception and dance on Tuesday night, and the golf tournament on Thursday afternoon.



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# The Importance of Calendar Reform to the Business World

By GEORGE EASTMAN

President, Eastman Kodak Company

**B**USINESS men are becoming more and more dependent upon accounting and statistical records for the proper conduct of their affairs. It, therefore, becomes increasingly important that the periods of time, which form the bases for all records, should be invariable. Unfortunately, all the units of time of our present calendar are not fixed and invariable. The day and the week are invariable and the year practically so; but the month, the quarter and the half-years are not equal and uniform.

## Defects in Present Calendar

**T**HE VARIATION in the length of the month causes the most difficulty to business. There is a difference of 11 per cent between the length of February and of March. There is a greater difference between the number of working days and working days are the important factor in industry. Chart No. 1 shows the number of working days in each month of 1926, allowance being made for Sundays and holidays but no allowance for Saturday half-holidays.

There is a variation from 23 working days in February to 27 in March, or a difference of 17 per cent. If, for instance, output or sales of a concern were uniform throughout the year, the monthly reports would show the same variation as the chart, and obviously the manager would get a misleading impression. For instance, in May he would think that operations had decreased for two months. All monthly comparisons are upset by this variation, and it is expensive to make the necessary adjustments.

Another feature of our calendar which causes great difficulty is that the month is not an exact multiple of the week, some months having four weeks and some five weeks. Chart No. 2 shows the number of Saturdays and likewise the number of weeks per month during 1926. This variation in the number of pay-days per year causes an endless amount of confusion and adjustment for the manufacturer in interpreting his monthly cost and burden reports.

This variation especially upsets monthly comparison in those lines of business in which week-end operations are heavy, as in certain retail stores and railroads. There is also confusion in those small stores that make collections on a weekly basis and pay on a monthly basis, and corresponding confusion for those families whose income is on a monthly basis and whose expenses are on a weekly basis.

In addition to these outstanding defects there are other features of the present calendar which cause confusion. There can be a difference of three days in the two half-years and of



"Time," says Mr. Eastman, "is the essence of all business records. It is important, therefore, that units of time be invariable."

two days in two quarters of the same year. Holidays occur on various days of the week, changing each year; shutdowns for holidays occurring in the middle of the week are expensive in certain plants. Complications arise in setting regular dates for meetings, in providing for holidays that fall on Sunday and in reckoning the passage of time, as, for instance, in interest calculations.

The "Wandering" Easter, another objectionable feature of the present calendar, causes the church year to be of varying length and sometimes causes dislocation in certain lines of business. Early Easters often cut down the volume of Easter retail trading and sometimes bring unemployment in the clothing and shoe industries.

In view of all these defects, the question immediately arises as to why the calendar should not be changed. The length of the months in the present calendar was not based upon a well-thought-out plan.

## Origin of Present Calendar

**T**HE GREGORIAN calendar had its origin in the calendar devised by the Egyptians. The Egyptian calendar was developed through years of study of the length and direction of the noonday shadows cast by the pyramids. The Egyptians determined the true length of the year—365.242 days—and divided it into twelve months of thirty days each with the five extra days (or six extra days in Leap Years) devoted to festival holidays.

Julius Caesar adopted the Egyptian calendar for the Roman Empire, but, instead of continuing the equal months, he took care of the five extra days by adding one day to every other month—i. e., January, March, May, July, September, and November, "because odd numbers were lucky"—and by taking one day off February. Augustus Caesar, in order to have thirty-one days in the month of his birth (August), moved the twenty-ninth day of February to August. On account of the unequal quarters which this change made, October and December were made 31-day months instead of September and November.

When the Gregorian Calendar was adopted in 1582 (in 1752 by England and her colonies), no change was made in the months, the only change from the Julian calendar being the arrangement for leap-year.

All the defects in the Gregorian calendar are due to three features: (1) the months are unequal; (2) the month is not an exact multiple of the week; (3) the ordinary year consists of 365 days, just one day over 52 weeks.

Several plans have been proposed to eliminate these features, but the plan which seems to have the most advantages and to be the most practical from the point of view of modern business is the Cotsworth Calendar.

## The Cotsworth Calendar

**I**N BRIEF, the plan is to have thirteen standard months, with each month as follows:

The new month will be inserted between June and July, as at that time of the year the change will cause the least confusion in re-

NUMBER OF WORKING DAYS PER MONTH IN 1926

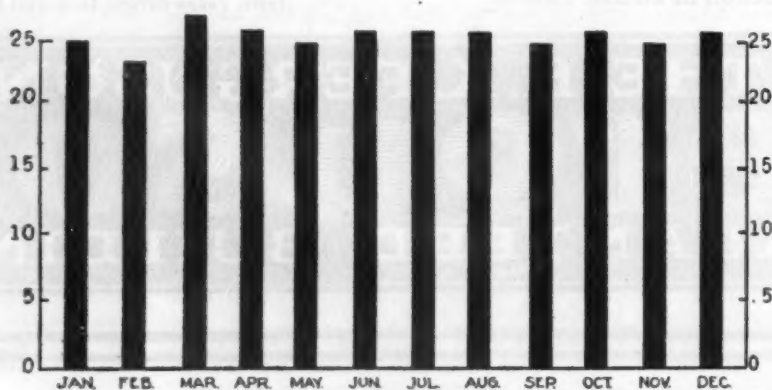
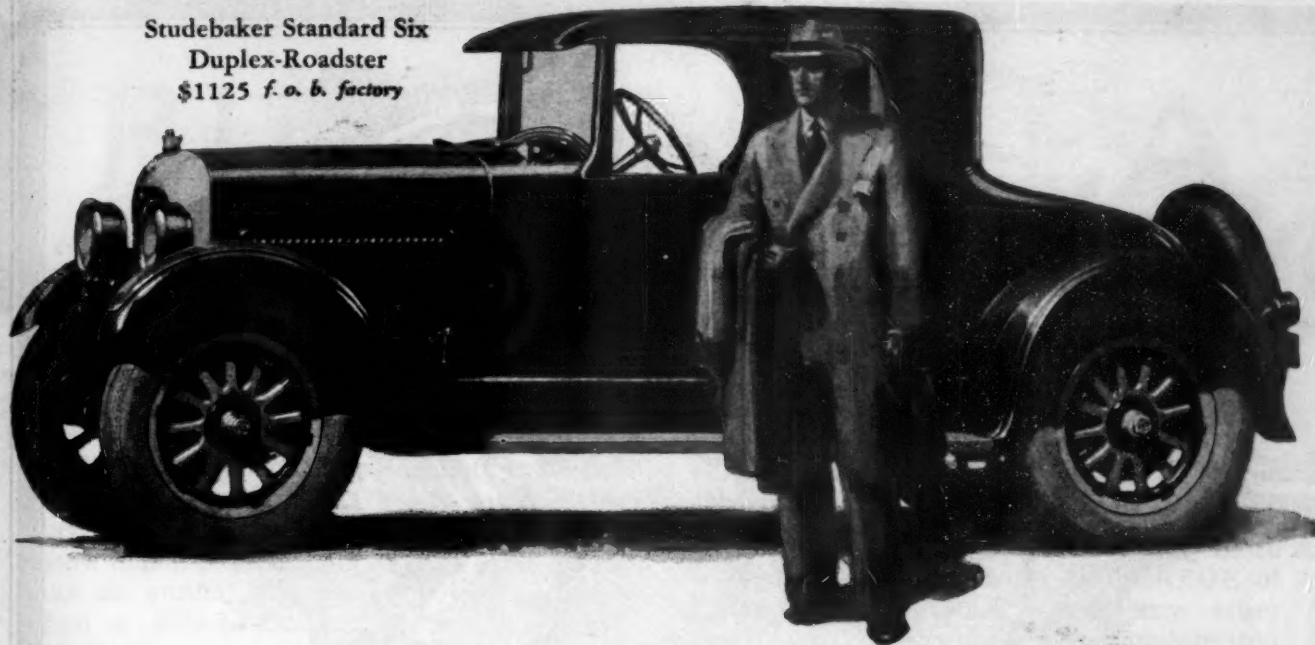


CHART NO. I



Studebaker Standard Six  
Duplex-Roadster  
\$1125 f. o. b. factory



## Why Many National Concerns are Equipping Their Salesmen with One-Profit Studebakers

CARS for salesmen, until recently, were bought by most business houses on the basis of lowest first cost.

By purchasing cheap 4-cylinder cars, firms with large fleets appeared to save many hundreds of dollars on the original investment.

But a few years' experience proved that savings in first cost were generally more than offset by high final cost. Hard usage from drivers who frequently were not the owners of cars resulted in heavy repair expense and rapid depreciation. Cars became shabby-looking and made the wrong impression on clients. In addition, it was found that cheap cars not only delayed salesmen but impaired their efficiency, due to the strain of continuous driving in discomfort.

Leading firms, therefore, began to change their buying policies. Other cars were introduced into fleets. Cost records were carefully analyzed. The result has been a definite trend to use One-Profit Studebakers for salesmen throughout the country.

### Costs Less in the Long Run

The business houses listed at the right are typical of many which provide Studebaker equipment for salesmen and field workers. Some use Studebakers exclusively.

Reports from several of these houses show that the 6-cylinder Studebakers can be operated for practically the same cost as the average 4-cylinder car which varies from 5½ to 6 cents per mile. It is significant that Studebaker's repair parts sales in 1925 averaged only \$10 per car in operation.

Operators find, too, that the higher first cost of Studebakers is counter-balanced by superior performance and comfort, en-

abling the salesman to cover more territory at less cost of time and effort.

In addition, the finer appearance of Studebaker equipment creates prestige for the firm. And its greater dependability with much longer life results in lower depreciation.

### Entirely New-Type Open Car

The Studebaker Standard Six Duplex-Roadster, illustrated above, has many practical advantages as a car for salesmen. Within its steel-framed top are concealed the famous Duplex roller side enclosures which banish curtain trouble and give protection from rain or storm in 30 seconds. It has 18 cubic feet of water-tight, dust and dirt-proof storage space under its rear deck for samples, advertising matter and personal baggage.

The engine, according to the rating of the Society of Automotive Engineers, is the most powerful in any roadster of its size and price.

Other conveniences include a gasoline gauge on dash, automatic windshield cleaner, rear-view mirror, stop light, spare tire lock and a coincidental lock to ignition and steering wheel.

### A Better Car at a One-Profit Price

Like every Studebaker, this Standard Six Duplex-Roadster is Unit-Built on the One-Profit basis. All its vital parts are built in Studebaker plants. As a result Studebaker saves the profits of outside parts and body makers. These savings enable Studebaker to offer a fine, quality car at a lower price—a car that is Unit-Built to give scores of thousands of miles of excess transportation, greater riding comfort, lower upkeep, and finally, higher resale value.

### Partial List of Concerns Using Studebaker Cars

Westinghouse Electric Company  
Home Insurance Company  
Armour and Company  
Roxana Petroleum Company  
Catalina Island Company  
General Electric Company  
Standard Oil Co. of Indiana  
Pennzoil Company  
Swift and Company  
Schumacker Wall Board Co.  
Ohio Match Company  
Southern California Edison Co.  
Independent Oil Company  
Shell Oil Company  
Baldwin Piano Company  
California National Supply Co.  
Pacific Clay Products Company  
Associated Oil Company  
American Snuff Company  
Sun Oil Company  
Newport Chemical Company  
Pure Oil Company  
National Lamp Works  
Graham Brothers, Inc.  
(Long Beach)  
Oil Well Supply Co.  
Long-Bell Lumber Co.

## STUDEBAKER CARS COST LESS IN THE LONG RUN

*When buying STUDEBAKERS please mention Nation's Business to the dealer*

**ST. LOUIS****POST**

*The above is an actual perspective view of "The Billionarea"  
—the Greater St. Louis Market—with a million people and an  
annual Purchasing Power of more than a Billion Dollars.*

**The highest ranking P+D+**

*When writing to St. Louis*



# The BILLIONAREA

~ the GREATER ST. LOUIS MARKET

## A New Mecca for National Advertisers

**G**REATER St. Louis is probably the most talked of major market in America today, and it deserves to be. Trade statistics show that the Metropolitan Area of St. Louis has an annual purchasing power of more than a Billion Dollars—it is a veritable "Billionarea" for national advertisers and manufacturers.

The unusual business activity of the Greater St. Louis Market is made up of tangible, measurable and explainable factors. One of these factors is the tremendous building activity that started in "The BILLIONAREA" in 1923.

The actual building projects completed or started since February, 1923, not including the building of homes, amounts to \$507,940,000.

In addition to these building activities, the City of St. Louis is spending more than \$87,000,000 in a 10-year municipal building program actively started in 1924. The necessary reconstruction consequent upon the carrying out of the bond issue work is estimated at \$450,000,000.

This building program alone is sufficient to assure an unusual business activity and increased purchasing power in "The BILLIONAREA" for years to come. But there are many other equally important developments, such as the increased inflow of industries to St. Louis and the expansion and development of its manufacturing.

Because the St. Louis Post-Dispatch has the greatest circulation in this rich area, it

offers national advertisers a P + D + C value almost without parallel in America.

It reaches more PEOPLE with more DOLLARS with a greater COVERAGE of "The BILLIONAREA" than any other newspaper. Its coverage is so complete that this one newspaper alone taps the unusual buying power of practically every home in the Greater St. Louis Market.

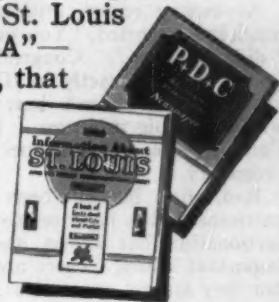
The fact that both local and national advertisers recognize the Post-Dispatch as the most powerful selling force in the Greater St. Louis Market is proved by its volume of advertising—almost equal to that of all other St. Louis newspapers combined.

For the convenience of national advertisers, the St. Louis Post-Dispatch has published a P + D + C Manual which describes the fundamental principles of measuring a market from the standpoint of newspaper advertising by identically the same accepted standards that have long been used in measuring a market from the standpoint of selling:

Population  
Dollars (or Purchasing Power)  
Coverage

The Post-Dispatch has also just completed a Book of Information about St. Louis and "The BILLIONAREA"—the Greater St. Louis Market, that will be of inestimable value to any advertiser. Both books free—on request.

St. Louis Post-Dispatch  
St. Louis



# DISPATCH

newspaper of "The BILLIONAREA"—the Greater St. Louis Market

spect to the seasons. The 365th day will be December 29th but will have no week-day name. December 29th, to be known as "Year Day," will be inserted between Saturday, December 28th, and Sunday, January 1st. In like manner, in Leap Year the extra day will be placed between June 28th and the first day of the new month.

THE COTSWORTH CALENDAR  
STANDARD MONTH

Sun.	Mon.	Tue.	Wed.	Thur.	Fri.	Sat.
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

All the defects referred to can be overcome by this plan. The proposed calendar will have the following advantages over the present calendar:

1. All months would have the same number of days (28), the same number of working days, except for holidays, and the same number of Sundays.
2. All months would have exactly four weeks.
3. Each week-day would always occur on the same four fixed dates of the month.
4. Quarter-years and half-years would be of the same length.
5. The month would always end on Saturdays.
6. A holiday would always occur on the same week-day.
7. The date of Easter could be fixed.
8. Yearly calendars would not longer be

necessary; one fixed monthly calendar would be sufficient.

These features would be of great benefit to business, accounting and statistical, for all months would be comparable without any adjustments. The month of exactly four weeks would obviate many of the adjustments now necessary between four- and five-week months. The reckoning of the lapse of time for interest and other purposes would be simplified. Meeting dates could be set in advance without difficulty. All holidays could be placed on Monday with advantage to industry and workers. A fixed Easter would prevent undesirable fluctuation in certain industries.

#### A Faster Money Turnover

AS THERE would be thirteen monthly settlements during the year instead of twelve, there would be a faster turnover in money; the same annual volume of business could be handled with less money.

Any calendar change would cause a certain amount of inconvenience during the first year or two after its adoption. There would be difficulty in making comparisons between the months of the new calendar and the corresponding months of the old calendar. Adjustment tables, however, would considerably reduce the time necessary for making these computations. All anniversary dates, birthdays, and holidays would be changed, but there would be little actual difficulty in determining these dates by the adjustment tables.

The legal difficulties, due to changes in maturity dates of leases, contracts, and mortgages, could be easily overcome by appropriate acts of the legislatures.

The inconveniences and difficulties which would be experienced during the first few years of the new calendar are comparatively slight compared with the many advantages which would be obtained in the business, social, and religious worlds by the adoption of the proposed calendar.

In 1922 the League of Nations appointed a Committee of Inquiry to study the question of calendar reform. More than 130 different proposals were submitted to the committee, but the Cotsworth plan is the one outstanding proposal which meets the needs of business. It has already been endorsed by a number of business organizations such as the International Chamber of Commerce, the New York State Chamber of Commerce, New York Merchants Association, American Statistical Association, and is fast gaining favor among business men. In fact, many concerns have already adopted a thirteen-month calendar for their records and are already getting some of the advantages

NUMBER OF SATURDAYS PER MONTH IN 1926

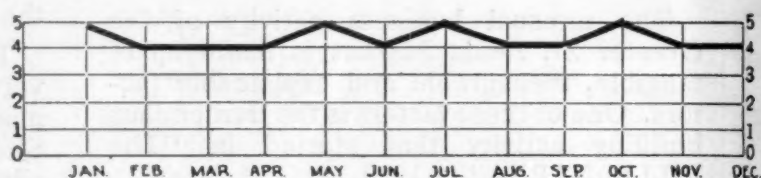


CHART NO. 2

of the proposed plan, but there are obvious disadvantages to using two calendars. Only universal adoption of the proposed plan would be of real benefit to business as a whole.

## Congress—What It Doesn't Do

By WILLARD M. KIPLINGER

THIS SESSION of Congress is notable for what it does not do, for the bills it does not pass, for the work it leaves unfinished, and you can get the picture without waiting for the end.

A country editor, criticized for what he published, retorted, "You ought to see what I didn't publish." Congress is in that position. It isn't exactly a "Do-Nothing Congress," but it hasn't hurt itself wrestling with many big problems. It is the kind of Congress you might expect in an era of prosperity.

Radicalism has not been evident. Sharp partisanship has been relatively low. Strong sectionalism has shown itself on only two important issues. There are plenty of blocs but they are not spectacular. Labor has not asked much and has gotten half of what it wanted without difficulty.

Organized agriculture has failed to get what it desired, and will continue the fight. Equality of agriculture with industry and commerce has been recognized in principle, but the method is still to be worked out. Tariff revision has not been attempted, and future prospects depend partly on the fall elections.

Prohibition has been in the talk stage, and modification is not imminent.

The executive has dictated legislation less than at any session for years. Congressional leadership has been as effective as was required in the absence of many great pressing economic issues, but it has been unspectacular.

The issue over conflict of federal versus state authority has been unusually active, showing itself in taxation, branch banking, rail rates, coal, education, prison labor, 50-50 appropriations, and reclamation.

Competition of government with private business also has been openly attacked and will be more discussed at the next session. This refers to government printed envelopes, army and navy industries, prison factories, and ultimately to roads and public works constructed by state and local governments, as contrasted with the private contract system.

Government expenses have probably passed low tide and in future years will increase, while the healthy program of public debt retirement moves along without prospect of substantial change.

Number one of accomplishments at this session is tax reduction. Number two is ratification of the World Court. Number three is approval of the foreign debt settlements.

Number four is the machine-like passage

of appropriations for the vast government work.

I am assuming that by the end of the session Congress will have passed the branch banking bill, the railroad labor bill, the bill for a government bureau to help cooperative marketing of farm products, the civil aviation bill, the radio control bill, and a few others mentioned later. These are the important positive accomplishments.

On the negative side, I am assuming that Congress will have turned down the demands of the agricultural group for legislation to deal with surpluses through an "equalization fee." This is by far the most difficult problem which has faced Congress, and it will be up again next year.

Railroad consolidation will be left to the next session and probably enacted then. The same with interstate bus and truck regulation. Coal legislation has no real push behind it. Postal rate revision will not be accomplished, except for a few minor schedules. Rechartering of federal reserve banks will be put off, I think. There will be no important shipping legislation.

The important German-American claims liquidation bill probably cannot be finished this session. The vote on the Turkish treaty will be close, from all indications. Omnibus



# The FUTURE of American manufacturing is centered at Norfolk

**W**ITHIN the short space of a decade the Norfolk-Portsmouth area of Virginia has risen to the front rank of great industrial cities.

The International Cement Corporation and the Ford Motor Company are representative of the giant industries that have found in Norfolk the solution of the problems of large scale production and distribution.

To these companies and others like them Norfolk offers the rare combination of cheap raw materials, low manufacturing costs and economical distribution.

## Economical Production

Norfolk's labor is high class and contented. Less than 5% is of foreign birth. Fuel—water—power are cheap. A mild climate permits of all year operation of outdoor industries.

Situated just half-way down the Atlantic Coast, Norfolk is centrally located to huge supplies of coal—lumber—cotton, steel and tobacco. Eight great railway systems—linked together by a jointly owned

belt line within the city limits—bring these materials by quick, short hauls to Norfolk's industries.

By sea, direct routes from the West Indies, South America and Europe afford a constant supply of sugar, molasses, rubber, iron ore, fertilizer materials and coffee.

**A** MAGNIFICENT natural harbor, free all year from ice—can accommodate an unlimited number of vessels. Norfolk's port service is always reliable. There is never any congestion; rail and water transportation are coordinated; sailings are frequent and dependable.

This favored geographical location is today the second port on the Atlantic Coast and a great center of industrial progress.

Norfolk's abundant acreage provides unexcelled plant sites at moderate cost. A One Million Dollar Revolving Fund is available to responsible organizations for assistance in the financing of industrial sites and buildings. Our industrial engineers will be glad to discuss with you the problems relating to your own industry. All inquiries will be held in confidence. Address the Norfolk-Portsmouth Industrial Commission — Dept. — D, Chamber of Commerce, Norfolk, Va.

## Some representative industries recently established at Norfolk-Portsmouth

International Cement Corporation  
Ford Motor Company  
Virginia Worsted Company  
White House Coffee  
The American Oil Company  
Southern Dairies, Inc.  
Old Dominion Distilling Corporation

# NORFOLK-PORTSMOUTH

## Chamber of Commerce

grazing and reclamation bills, so important in the far west, will have to wait until next year. The new Gooding bill to prevent short-haul rate discrimination against western inter-mountain territory and in favor of the Pacific coast is checked by the same influences which killed the original Gooding bill in the Senate earlier in the session (affecting short-haul rates in water competition throughout the United States).

Sectionalism has been strong on this Gooding measure, and in one other issue, the agricultural surplus. Force for the latter centered in Iowa and spread out through the middle west and finally gained in the south. Boulder Canyon Dam is a sectional matter for Southern California, Nevada and Arizona, and will continue so in future sessions. Muscle Shoals has lost some of its sectionalism, as a solution of the leasing is approaching. For future sessions of Congress many important sectional issues are formulating, and one of the biggest will be the fight over the outlet for the Great Lakes waterway to the Atlantic.

It is noteworthy that influence of the Pacific Coast and far-western interior states is becoming increasingly active in Congress, and it may be significant of the growing weight of those regions. It was apparent in Congress in the branch-banking bill, in shipping discussions, in the Gooding bill, and in the vote on various nominations. It has been a subject of much comment.

Nothing of finality has been done, or is likely to be done, in this session of Congress about business combinations (the most important economic movement of this period), about anti-trust laws, about establishment of a national oil conservation policy, the Great Lakes-St. Lawrence waterway, government reorganization, the proposal to create a Department of Education, immigration, war mobilization, foreign commodity monopolies, trade mark and copyright reorganization, royalty for music writers and authors on radio broadcasting, or regulation of security sales by a federal blue sky law. Some of these subjects are not yet ripe for final consideration, some are matters to be worked out mainly through government administrative policies.

I have touched on only the highlights of the legislative picture as it stands this month, and have indicated my opinion of what may be expected in the few remaining weeks. My opinion, it should be said, is not in accord with the many statements now going out from Washington that Congress will surely pass this, that and another bill. I discount many natural enthusiasms and hopes (including my own) and pass along to you the residue of the facts in these legislative situations as they appear to me and my associates. A somewhat less abbreviated discussion of some issues of importance to business men follows:

Democrats made a half-hearted attempt to attack the tariff at this session, but got nowhere. Then they joined with a group of western Republicans in forcing an investigation of the Tariff Commission, which has shown the inside workings of the so-called flexible tariff, and the friction within the Commission over interpretation of figures on relative costs of production here and abroad. This will result next session, hardly this session, in redefinition of the basis for determining competitive costs, possibly using invoice prices when foreign costs are not determinable. There is no immediate intention of repealing the flexible

tariff, or of abolishing the Tariff Commission.

Downward revision of the tariff will be actively agitated at the next session, opening in December. If Democrats win control of the Senate in the fall elections, it will be stimulated, though the new Congress does not come in until December, 1927. Agricultural groups threaten to attack the tariff in retaliation over failure of equalization fee legislation and in the hope of forcing industrial interests to support farm relief of the desired sort. Any material slackening of business in the fall probably would tend to discourage tariff modification. A comprehensive revision seems to be at least two years off.

Railroad consolidation, the biggest rail issue, was delayed in this session to await the Interstate Commerce Commission's decision in the Nickel Plate merger, and this was finally dis-

### Railroads

proved, mainly on grounds that the financing plan was not desirable. Now the subject will be taken up at the next session, and probably a bill will be enacted providing for compulsory consolidation after a period of seven years. (Five years is specified in the bill to be presented, but the chances are that this will be extended.) The interest rate on government war-time loans to railroads probably will be reduced to approximately current rates by legislation at this session. The railroad labor bill is scheduled for passage. The Pittman bill to take away the Interstate Commerce Commission's authority over intra-state rates probably will not pass now. Neither will the bill to regulate inter-state bus and truck traffic.

Organized agricultural groups descended upon Congress and demanded statistical segregation of the exportable surpluses of farm crops, in order to raise

Agriculture and stabilize domestic prices, selling the surpluses abroad at lower prices and making up the difference by "equalization fees" to be imposed on wheat, hogs, livestock, cotton and corn at the first stages of manufacture or processing. Congress and the administration gave sympathetic hearings, but the idea is not yet "sold" to either the Administration or the law-makers. Congress is entirely willing to put through part of the surplus program in the form of a Federal Farm Board, without the essential equalization fee feature, but this will not satisfy the surplus group. The issue will be carried into the election campaign.

The Administration plan of encouraging better cooperative marketing, the "merchandising of farm products," through a new bureau in the Department of Agriculture will be carried out by legislative enactment. A bill requiring the dyeing of imported clover and alfalfa seed, which is not always dependable for use in all American climates, has fair chance of passage. So does the "corn sugar bill," which would legalize the calling of sugar made from corn and artichokes just plain "sugar."

The tendency of this Congress is to stand by the Shipping Board as constituted at present, with its regional representation, and not to divorce the Emergency Fleet Corporation from it, as the Administration wishes. Recommendations of the National Merchant Marine Conference, organized under

the auspices of the Chamber of Commerce of the United States, and embodied generally in the pending Bacon bill, have been accepted to some extent, but the remaining time is too short for accomplishment of any fundamentals of the merchant marine problem, unless the Administration uses strong pressure in the next few weeks.

The Butler bill, to abolish rail rate differentials on export shipments to the various Atlantic ports, and similarly to Gulf and Pacific ports, has not been an active issue within Congress, although New England (pro) and the South Atlantic ports (con) have been excited about it.

The McFadden branch banking bill, after two years of vicissitudes, is going through, probably minus the Senate amendment for recharter of the federal reserve banks, and minus the so-called Hull amendments which would tend to fix the status quo of branch banking in the various states. The Strong bill for stabilization of prices through operations of the federal reserve system has had sympathetic hearings, but can not pass. The bankruptcy bill has fair chances of passage. The Dennison blue sky bill will not get through.

Debt settlements of Belgium, Czechoslovakia, Latvia and Esthonia face no such difficulties as the Italian debt. Foreign Relations So far as Congress is concerned, there is nothing more to be done about the World Court.

Congress has investigated foreign government-controlled commodity monopolies, attack on which is led by Secretary Hoover, but there is no intention of enacting any legislation. The bill to legalize organization of import combinations, comparable to American export combinations under the Webb-Pomerene act, has created no active interest. The "Cuban cigar bill," to admit retail shipments of cigars from Cuba by parcels post, has doubtful chances at this session, but favorable chances at the next, when it will have organized support of Americans doing export business with Cuba by parcels post. The Jones bill for establishment of free zones at American ports has too little active support to get across now.

Congress is faced by a deficit in postal service of something less than \$30,000,000 for this year, even under the new high rates, and is not inclined to readjust the rates generally at this session, although private post cards, and transient newspapers may be reduced. The proposal to cut down the volume of government-printed envelopes and to throw this business to private printers—part of the movement to get the government out of competition with private-business—will not be enacted before adjournment.

There will be no coal legislation, either to establish a system of fact gathering by the government, or to authorize the President to take over the industry in strike or other emergency. Coal Compulsory fact reporting on coal production is considered of doubtful constitutionality. Congress simply does not know what to do about coal.





*International Speed Truck Model SL  
fitted for the grocer's delivery service*

## For lighter loads, one of these—

**T**HE Harvester Company is equipped and ready to help you make quick work of your hauling jobs. It offers the International Speed Truck, furnished in three distinct chassis designs.

**Model S** is a general-purpose truck for regular hauling and delivery. It is built to carry a ton and it comes equipped with any type of body you may need for the work you have to do.

**Model SL**—safe and low and easy to work with—is a ton-and-a-half underslung chassis with a wheelbase of 150 inches. The top of the frame is only 24 inches from the ground. It is furnished with about every kind

of body imaginable, from the simple express type to a coach de luxe, and it is a favorite with owner and driver from every point of view.

**Model SD** is a handy, specially-built ton-and-a-half dump job with a wheelbase of 110 inches. Because of its sturdiness, speed and easy handling, it is ideal for general contracting, road building, and trailer work.

The International Speed Truck Chassis is a versatile and flexible unit. Use the right models for your business and you will get the same satisfaction that other users of International Trucks have been getting for more than twenty years.

*The International line also includes Heavy-Duty Trucks ranging from 1½-ton to 5-ton maximum capacities, and Motor Coaches for all requirements*

**INTERNATIONAL HARVESTER COMPANY**  
606 SO. MICHIGAN AVE. OF AMERICA  
(INCORPORATED) CHICAGO, ILL.

# INTERNATIONAL TRUCKS

We are illustrating below some of the popular models of the Speed Truck, S, SL, SD. Write us today for complete descriptive literature on International Trucks and for the names of other firms in your line who are using them



**Model S, Panel Body**



**Model SL, Bottler's Body**



**Model S, Express Body**



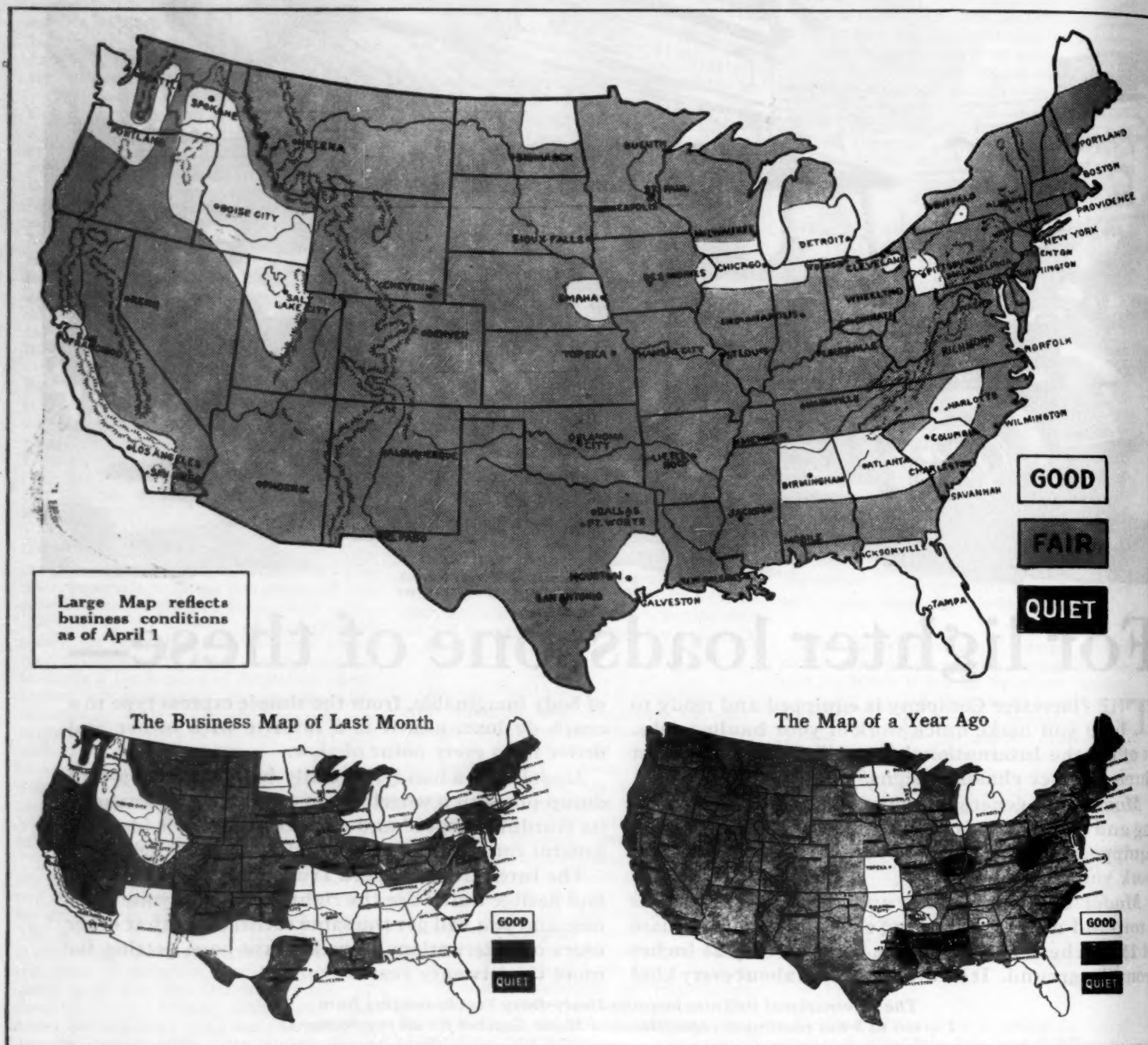
**Model SL, Furniture Body**



**Model SD, Dump Body**

*When asking for further information about INTERNATIONAL HARVESTER TRUCKS please mention Nation's Business to the dealer*

# The Map of the Nation's Business



By FRANK GREENE

Managing Editor, "Bradstreet's"

**W**EATHER, trade and manufacturing conditions during March and for that matter during the entire first quarter were rather irregular with favorable and unfavorable features alike deserving of notice. The first month was really favorable to trade, the last two markedly less encouraging in many lines.

The weather in February and parts of March, especially the week before Easter, was certainly a drawback to final distribution and to the railroads which seem to have spent most of their increases in gross receipts in larger operating expenses.

In the last six weeks the complaints about

hand-to-mouth buying grew. The assertion was made that the influenza epidemic hurt purchasing power.

Industry was irregular with peak operations in automobile production and in output and buying of iron and steel, whereas the textiles were irregular with cottons and woollens tending to lag but silks were doing well until toward the close of the quarter when curtailment was visible in some branches of this manufacture.

Building was slightly above 1925, this being due mainly to expansions at a few centers, notably New York.

Bituminous coal production was feverishly

active early but sagged heavily as the anthracite field once more got into the market.

Retail trade was as irregular as any other activity with mail order and chain stores giving best returns but other lines sagging off late and promising to lose some of the earlier gains.

Speculation in stocks, at its highest in early February suffered two heavy reactions in March, in which seven months' advances were lost in a little over thirty days. Some real estate booms were reported to have flattened out somewhat before the stock market suffered its record-breaking set back.

Commodities which lagged behind secur-



**Shaped in Steel** *Here is Beauty you can use without worry or care!*

For practical use in business, beauty must take care of itself. After all, you hire your men to work and office furniture is only a tool to help production. Heels will be put atop desks, cigarette stubs are forgotten, spilled ink and other accidents of routine are a part of the day's work.

Made from Sheet Steel your furniture can be built to endure these hazards of service without loss of its original fine appearance. And Sheet Steel gives more than added beauty. It is setting new standards of value for office furniture of all kinds, desks, files, cabinets, shelving, lockers, partitions, doors and window frame and sash. It adds to the strength of construction. It resists fire. It increases efficiency.

Besides these many advantages it costs less to use Sheet Steel. Modern manufacturing economies are producing Sheet Steel articles at lower costs than ever before. Whether for office or home use, in buying new equipment it will pay you to investigate Sheet Steel at your dealers. See the added value offered by Sheet Steel. Examine it. Test it. For further information and the interesting booklet, *The Service of Sheet Steel to the Public*, address the SHEET STEEL TRADE EXTENSION COMMITTEE, OLIVER BUILDING, PITTSBURGH, PENNSYLVANIA.

**SHEET STEEL**  
FOR SERVICE

Sheet Steel has set new standards for office furniture—more enduring beauty, better efficiency, added economy and increased fire protection.

ities in the rise last year, weakened before stocks had their fall, with *farm products* seeming to suffer more than other commodities while iron and steel showed most steadiness.

As usual bank clearings and debits were found to be as faithful, not to say voluminous, recorders of slumps as of advances. *Failures*, those records of the courts of last resort in the business world, were the heaviest for four years.

Viewing the entire situation with as much detachment as is humanly possible, it may be said that while a record business for the time of the year was probably done, the margin of profit was small, first, because of the intense competition developed and second, because of changes in channels through which a great deal of the business flowed.

Lest the above might be regarded as a depressing summary, it might be remarked that a somewhat similar trend was shown about the same time in the preceding three years, that the winter months are rarely what might be called creative periods, that the condition and outlook at present is about fair and fully equal to a year ago, as a whole, and that a possibly more cheerful, certainly a more enlightening and constructive period, faces general business as this tardy spring season opens.

Premonitory symptoms of the great break in stocks were visible as early as the second week of February when, despite apparent pool activities, prices of food stocks broke on reports of a government suit to prevent a big baking combination. The next week saw another break followed by a fair rally, but the last week of February saw still another slump.

#### A Big Break in March

**F**EEBLE rallies were taken advantage of to put out short sales but, early in March, a big break occurred, sales on March 3 of 3,875,000 shares breaking all records for a single day. A fair rally occurred on short covering but the third and last weeks of the month saw renewed weakness and stocks were thrown over in great numbers on March 29 and 30. The last day of March saw a pronounced rally on short covering and a feeling that the worst of the liquidation was over. Industrial stock averages that had fallen from 162.31 on February 11 to 135.20 on March 30, a break of 27 points,

rallied well in early April while railway stock averages that had fallen from 113.12 on January 7 to 102.41 on March 30 rose also.

Bonds were rather steady despite some sharp advances in call money to 5½ per cent on several occasions, and declined little from the high point for nine years touched in February. As showing the proportions of the liquidation that occurred in the stock market it might be noted that brokers' loans on stocks and bonds fell from \$3,138,724,000 to \$2,690,199,000 or by \$448,000,000 between February 17 and March 24.

At the low point of March 30, *rails* were about where they were in September, 1925, while industrials were on an August, 1925, level. Some of the individual stock movements were, however, not really reflected by the averages which were inadequate to express the dizzy heights to which wild manipulation drove them. While stock averages and to a greater degree some individual stock prices rose in January or February to the peak of the boom, the rise over the peaks in December, 1925, was really slight.

French francs reached the lowest point for all time, 3.39½ for demand on March 29, but rallied on the carrying through of a measure to balance the budget. Belgian francs dropped to 3.63½ on April 1, the lowest point in two years.

In commodities the peak of the latest rise was in December when Bradstreet's Index Number rose to \$14.4054, the highest level since November, 1920. From December 1, 1925, to April 1, 1926, the Bradstreet's Index declined four times in succession for a total of 9 per cent. From January 1 to May 1, 1925, the decline was 4.4 per cent; from December, 1923, to July 1, 1924, the index dropped 9 per cent; from March 1 to August 1, 1923, the drop was 8 per cent.

In view of the notable resemblances sometimes shown in the movements of stock averages and price index numbers it is worth noting that the decline in the price index on the present movement has equalled the maximum of the preceding three years, which lends interest to the question as to what the coming spring months hold in the way of stock and commodity price index movements.

Bradstreet's Weekly Food Index as of April 1 showed the first check in the downward movement since January 28. Failure

returns for the first quarter were very interesting. In January, a decrease of 257 from January, 1925, was shown, but in February an increase of 46 was recorded and in March another increase of 228 was recorded over the like month of last year, leaving a net increase over the first quarter of 1925 of only 17, an insignificant increase, but enough to make this year's first quarters total 5,665, the largest three months' aggregate recorded since the first three months of 1922, when the peak total of all time for three months was set up. Liabilities for the first three months this year \$141,311,945 are only about seven-tenths of one per cent below the total for last year but are nevertheless the smallest of first quarter totals since 1920. The relatively large totals of liabilities, because they are largely measured by comparison with years previous to 1920, are perhaps signs that after deflation, liquidation is still not entirely cleared up but the turn upward in number of failures does not seem serious in view of the big addition each year to the number in business and the bad weather ruling for at least two out of three months this year.

#### Mail-Order Houses Show Gains

**M**AIL-ORDER and chain-store sales for March and the first quarter of 1926 seem to have been in a distinct class by themselves, these gaining 12.3 and 16.1 per cent respectively over March, 1925, and, combined, gaining 14.2 per cent over last year. For the first three months of 1926, mail-order sales gained 9.5 per cent, chain stores 14 per cent and the two combined gained 11.6 per cent over the first quarter of last year.

As illustrating the big difference between the mail order and chain store sales reports and those made by some 650 department stores reporting to the Federal Reserve Bank, it may be noted that for the two months, January and February of this year combined, the department stores gained 3.9 per cent, whereas mail-order sales gained 8.2 per cent and chain stores 11.5 per cent over the like months two years ago. Some of the gain by chain stores is, of course, due to the increased numbers of the latter.

The prospects for most crops are as yet not clearly defined but the highest price for *potatoes* since 1920 points to a big acreage in this product.

## What the World of Finance Talks Of

By MERRYLE STANLEY RUKEYSER

**T**HE CHASM between business and finance is narrowing.

Seemingly, the new trend constitutes a reversion, for in the early history of the country bankers were mainly recruited from business men who had accumulated a surplus. But until recently in the United States, modern business men and bankers had different ways of looking at economic problems.

Not so long ago, bankers were cold to merchandising enterprise, skeptical about advertising investments in white space, and in general suspicious of commercial success which rested more on earning power than on substantial tangible fixed assets, consisting of such realities as plant and machinery which you could see and feel. Something

like a revolution has taken place in the attitude of the banker. He is less inclined to view things with alarm and more disposed to accept commercial enterprise, initiative and talent as good bankable collateral.

Bankers and business men used to be on different mental planes. The disparity in their viewpoints is illustrated by their attitude toward paid publicity. In the old days, bankers in canvassing the assets of business men, objected to the capitalization of good will, which men of commerce insisted was the product of a legitimate investment in advertising.

In the good year 1926, the orthodox banker accepts advertising as good financial currency. One reason for this changing point of view is that Wall Street since the War

has itself turned to the use of publicity. Until a few years ago, the conventional bank, trust company and investment house considered advertising that was more than a tombstone announcement, undignified and vulgar. Today, however, the great money lenders, unashamed, loudly shout their virtues from public tribunes. Human interest copy, diagrams and illustrations are mobilized to catch the attention of the layman, who, in these days of widely diffused prosperity, has become a regular investor.

Close observers have for some time sensed the radical shift in Wall Street opinion, but until recently no responsible financial institution formally certified that the outlook had shown any signs of this very fundamental transformation in mental attitude.



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On city boulevard run or rocky motor stage route—the mileage records prove convincingly the advantage of INDIA tire construction.

Built with INDIA'S Gum-Weld Cushion to absorb road shocks and a tread that gives utmost traction without cupping—it is no wonder that INDIA has become the most favorably talked about bus tire in America.

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# INDIA TIRES



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The house of Lehmann Brothers, which has been a leader in converting hitherto closed corporations into publicly owned enterprises, through Paul M. Mazur, in *Printer's Ink*, has put advertising into the company of rails, real estate and leases as an asset which can be capitalized.

"The investor," said the authorized spokesman of the bankers, "and we, as sellers of securities to investors, are interested in the securities of corporations owning nationally advertised brands, because we realize that such corporations are sound. It is no accident that during the last decade advertising and the consumption of advertised goods have grown to their present gigantic proportions. Such growth has been the result of the economic validity of advertising as a business force."

The foregoing statement is a symbol of a new business philosophy. Hereafter, business men in their conferences with bankers can unblushingly reveal their expenditures for advertising, providing it has been intelligently planned and productive. Like inefficient machinery and poorly situated real estate, wasteful advertising of course will not be highly appraised.

**I**N ASSESSING the meaning of this new conflict, it is well to separate the bunk from the legitimate. Democracy in finance is an alluring phrase and happily America is drifting slowly in that direction. Yet the public should beware of those who seek to sell them a combination of fine sentiments and worthless stock certificates.

For example, a new England promoter of finance companies, the unsuccessful fate of whose financial creations has exceeded even the predictions of his critics, trod heavily on the political predilections of the public. He sold stock by capitalizing popular prejudice against Wall Street.

Before the crash, the promoter in the house organ of his stock-selling company, which was published "in the interest of financial democracy," wrote in a message to his customers: "Nothing will be spared by me personally to guarantee protection to all who are clients of our company, which was organized to do justice, to right an economic wrong."

An article in the same bulletin explained that "The economic injustice consists in the common practice of the using of the monies of people—who have such monies over and above their needs for daily living by thrift and self denial—to make a greater world progress, without returning to these earners and savers of such monies a true, fair return for the use of their saved capital."

The company hopes to drive out of the field 'wild cat' stock schemes. The company knows that there are in the field today, first, the safe, big-yielding investments, and, second, the speculative wild-cat stock promotions. It realizes that a man of small means seldom has a chance at the first type, and that he is being approached day after day by members of the stock-jobbing fraternity representing the latter type."

William Feather, business philosopher of Cleveland, in contemplating such failures as the foregoing promotion, said: "Though somewhat of a liberal myself, I prefer to buy securities of corporations which have a few reactionaries on the board of directors."

As for the question of voting power, it is well to distinguish between what is technically desirable from a legal standpoint and the actual practical politics of business. The apathy of the small investor is a factor

which cannot be ignored. Even the more rational of the small investors buy securities for income or appreciation, and not primarily for a voice in management.

**T**HE NEW conceptions of bankers spring from fundamental changes in the economic structure of the country. Behind the new attitude of the middlemen—the bankers—is the altered taste of investors who are at present ready and eager to place their funds in all types of business success. Two decades ago, on the other hand, the small group of investors who were then dominant had full confidence only in the railroads. Public utility enterprises were relatively new and untested. Industrial enterprises were deemed highly hazardous, ephemeral and unsuited for any except speculative funds.

Fashions change, and now the security buyer, liberated from the fixed prejudices of the past, is ready to entrust his savings to managers of any type of enterprise which has high earning power and alluring prospects. Reference is made only to those meritorious security creations which bear the stamp of approval of capable banking houses. The appetite for oil wells from which only stock certificates spout, for perpetual motion machines and for miscellaneous miracle performers is something else again.

At present the clamor of the American public during bull markets is for a wider array of types of securities than ever before, and the supply of investable capital available is unprecedentedly large. In these facts lies an explanation of the new tendency of department store owners, automobile manufacturers, cash-register makers and vendors of beautifying products to take the public into partnership through the sale of stock.

The old interests in closed corporations perceive an opportunity to pull out a substantial share of their cash investment and yet retail a goodly portion of the future profits. The new process of public financing enables the old owners to invest a part of their fortune in high grade diversified securities instead of keeping all their eggs in one basket. The switch appeals particularly to those who are thinking in terms of what they will leave to their heirs who may not inherit their own talents for management. The sale of Dodge Brothers to the public gave the widows and children of the founders \$146,000,000 which they placed largely in municipal bonds and other tax-free obligations.

**I**N MY OPINION, the rise of the small investor since the war has created a need for a new profession of public directors—men of understanding, financial experience, integrity and courage, who can properly ask for the proxies of small investors and represent them on boards of directors—not for the purpose of control or obstruction, but for the purpose of eternal vigilance. The need is for men who are ready and able when necessary to start law-suits in the name of shareholders to prevent unwise or dishonest acts; for men who would be prepared to employ the weapon of publicity to forestall activities not in accordance with the public interest.

As a practical matter, to get competent individuals to devote the time and skill necessary, such directors should be paid for their services—in fact, all directors, in my opinion, should be remunerated in propor-

tion to services that they render to corporations, in place of the present system of giving only nominal direct compensation. The personnel for the new profession could be recruited from retired financiers, from the ranks of economists, and possibly from the fold of experienced financial journalists.

Such a proposal is merely to have on the inside watch dogs and spokesmen for the new investors rather than a plea to take management from experienced and capable executives and run corporations by large mass meetings of inexperienced stockholders.

In considering such innovations, it should be remembered that the fundamental purpose of the investor would be frustrated if these departures should interfere in the slightest degree with the successful management of a business enterprise. Yet this new system, if properly carried out, could be used as a means of protest against such abuses as continuance of the seven-day week and twelve-hour day for workers in companies that have not yet abolished them; against profiteering and against practices which favor the personal interests of the controlling group as contrasted with the interests of all stockholders.

In their present unorganized status, small investors are ineffectual, whether their shares have voting power or not. Through organized representation, they could cry out against abuses and exert an influence to which their new property rights entitle them.

**T**HE TRANSFORMATION of hitherto privately owned concerns into quasi-publicly owned institutions has been motivated by an age-long human desire to eat one's cake and have it, too. The old owners or the new bankers yearn both to sell out and retain control. The seeming anomaly is arranged through the distribution to small investors of various genre of non-voting stocks.

In the flush of emotionalism connected with speculation in a long cycle of bull markets, the question of the franchise privilege, though clearly stated on the offering prospectuses of bankers—even if occasionally in smaller type—was generally ignored until a David arose in academic circles to sling a stone at the Goliath of big business and high finance. Professor William Z. Ripley, economic sage of Harvard University, through the spoken and printed word, sounded a warning against the new system of divorcing ownership from management.

What first seemed like a lone voice crying in the wilderness soon grew to the volume of loud clamor echoed in a minority of influential newspapers.

At length the New York Stock Exchange, which in recent years has gradually adopted the policy of justifying itself by good works toward the investing public, served notice in a cautious, timid, vague statement that thereafter it would place the burden of proving that non-voting stock is equitable, on corporations asking for listing privileges for such shares.

The Interstate Commerce Commission, in its Nickel Plate decision, and later in the Pittsburgh and West Virginia case, unequivocally placed itself on record as opposed to the issuance of non-voting shares by railroad corporations. Among industrial corporations, the Southern Dairies, Inc., the Serv-el Corporation, and the Kawneer Company have voluntarily changed their capital structures to get rid of non-voting stock. Evidently nature is imitating art. Practice is seeking to catch up with theory.



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# Our Railroads Still Compete

By ROBERT S. HENRY

**T**HERE are 170 practicable and used freight routes between Louisville and Jacksonville, Fla. Between Chicago and Jacksonville there are many times that number through various gateways. Between points as far distant as New York and San Francisco the number of possible routes is in the thousands—and the shipper has the full and unrestricted right to say that his goods shall go by any one of them that is not expressly forbidden in the tariffs.

It has been the policy of the railroads and of the law to keep open these various routes and so preserve that competition which, whatever its fault and defects, has helped give to the United States its highly developed and efficient transportation system.

## Competition Now in Service

**I**N AN older day, this competition was largely in rates; today, with rates the same by all routes, broadly speaking, it is in service only, but if any one believes that competition is dead and that transportation is a "natural monopoly" he is respectfully

referred to the harassed gentlemen who have to struggle with all sorts of competitive factors and conditions in getting up the rate tariffs, or those other harassed gentlemen, the Interstate Commerce Commission and its staffs, who must pass on them.

With all the possible routes that are open to the shipper there is hardly a pound of freight that moves on a railroad that is not competitive business. Freight from New York to the west can and frequently does start east by boat on Long Island Sound, turn north through New England to Canada and then head west.

From Philadelphia or Boston a shipment to Salt Lake City may start by boat to a South Atlantic or a Gulf port.

From Pittsburgh shipments to the Far West frequently start on their journey by going east to an Atlantic port or south to a Gulf port and thence around through the Panama Canal, or north to the Great Lakes.

Even in the simplest possible case, freight moving between two local stations on the same division of a road, neither of them

served by any other railroad, there is the ever-present competition of the motor truck, while on all hauls other than strictly local there is the competition of other railroads.

A very large part of the goods hauled to and from a so-called one-railroad town may move over any one of a large variety of routes, at the option of the shipper. From Chicago to Cookeville, Tennessee, for example, there are fully a score of possible routes.

## Sectional Products Compete

**E**VEN on products that are not affected by this competition among carriers, there is the competition between products. Florida citrus fruits are in competition with those of California, while grape fruit from the Rio Grande Valley are competing with both. The place your grape fruit comes from, then, may make a difference to a good many railroads.

As anthracite mining troubles cause a change in the fuel habits of the East, it is felt not only in the treasuries of the



A Louisville manufacturer, with a consignment for Jacksonville, Florida, has a choice of 170 routes. His goods may go as far west as Paducah, Kentucky, or as far east as Richmond, Virginia. The rates of the competing roads are about the same; service is the determining factor. A map of another section would show a like network of railroads in competition





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**C**OAL trucking is dirty, demeaning, soul crushing work; it depresses the spirit, stoops the shoulders, corrodes the face. Giving men laborious, strength-sapping work which can be done better by mechanical power is both inhuman and unprofitable. *There is a better way.*

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anthracite railroads, but in those of the bituminous carriers of the Virginias and the fuel oil carriers of the Southwest.

Chicago used to get almost all its coal from the mines of the Central Competitive Field. The Chicago & Eastern Illinois Railroad in those days made a large part of its living hauling coal from the Illinois and Indiana mines to Chicago territory.

#### Depressions Affect Roads

**D**URING 1924 the union mines along its line were not shipping a great deal of coal, while the Chicago demand was supplied to a large extent from the Kentucky non-union mines. Now the C. & E. I., with its direct Southern connections, hauled a lot of this Kentucky coal, about as much as it used to get from mines on its own lines, and probably took in about as much revenue from the haul, but didn't make the money that it did when it hauled more coal from mines on its own lines.

In the first place, it got the coal from connections, in their coal cars, and had to pay a dollar a day rental for the cars, while its own stood in side tracks eating their heads off. Besides that, it didn't haul the supplies and merchandise that it would have handled if the miners and mining towns along its own lines had been busy and prospering.

Such instances, which could be multiplied by the tens of thousands, show that this competitive commercial-transportation structure of ours is a fluid thing, delicately balanced. It is subject to an immense lot of legislative and regulatory attention, much if not most of it designed to make the structure fixed and rigid. There can be no serious objection to stabilizing it, of course, if it is left flexible,—if somewhere there is lodged a discretion in a relatively expert body to adjust the structure to actual conditions as they develop.

Legislative strait-jackets, such as are so frequently proposed, simply can't do that. Frequently, in fact, they have just the opposite effect from that intended, because it is impossible for a legislative body to foresee all the commercial factors involved.

During the last session of Congress there was pending a bill the professed purpose of which was to encourage the development of industry and commerce in the interior of the Pacific Northwest. At the hearings before the House Committee on Interstate Commerce appeared, among others, George A. McDonald, general manager of the Sun Portland Cement Works at Lime, 387 miles east of Portland and in the section of country that was to be benefited.

Mr. McDonald testified that his

company's only considerable market was Portland and surrounding territory; that ships from the East and Europe brought cement into Portland, carrying it as ballast and charging rates just a little more than nothing at all; that the Union Pacific Railroad had many thousands of empty cars going past Lime to Portland every year; that there was suitable raw material for cement manufacture at Lime, and suitable coal in Utah; that to get these materials together and to enable them to market the product the Union Pacific made his plant a rate that would enable them to compete with the cement coming in in ships; that from this business moving in what would otherwise have been empty cars, and from the coal hauled to the plant, the Union Pacific was taking in a revenue of about a quarter of a million dollars a year; that at the same time his company had built up a large local industry; and that a rigid and inflexible Congress-made rate structure would break up this adjustment and so make it impossible for his plant to stay in business, with loss to everybody concerned.

Mr. McDonald seemed to feel that the fine theories and good intentions of such rate laws would be mighty little comfort to a dead cement plant.

#### Rates Often Puzzle Experts

**A**T BEST, even with a commission instead of Congress to handle the details, it isn't easy to prescribe, under the law, the rates that may be charged and the forms which the tariffs shall take. The matter of the form, effect and interpretation of the tariffs, with their multiplicity of rates and routes designed to meet competitive conditions of all sorts, often enough puzzles experts.

Frequently the attempt to simplify and smooth out one place will put a kink in another. In a recent order the Commission laid down a set of principles for long-and-short-haul clause rates on brick and clay

products. Among them was the general rule that the rates authorized should not apply over routes whose mileage was more than a certain percentage above that of the most direct route.

That looked plain enough until work started on revising the tariffs accordingly. As the tariffs were, and under the law, the rates as published applied to any route over the lines of the roads participating in making them. The new ruling of the Commission had the effect of closing a great many routes, which made it necessary to show in the tariffs themselves by which routes the rates were to apply.

The railroads set their force of rate clerks to work, but they didn't get far before they had to throw up their hands and lay the whole thing back on the Commission's doorstep.

#### Over Six Hundred Routes

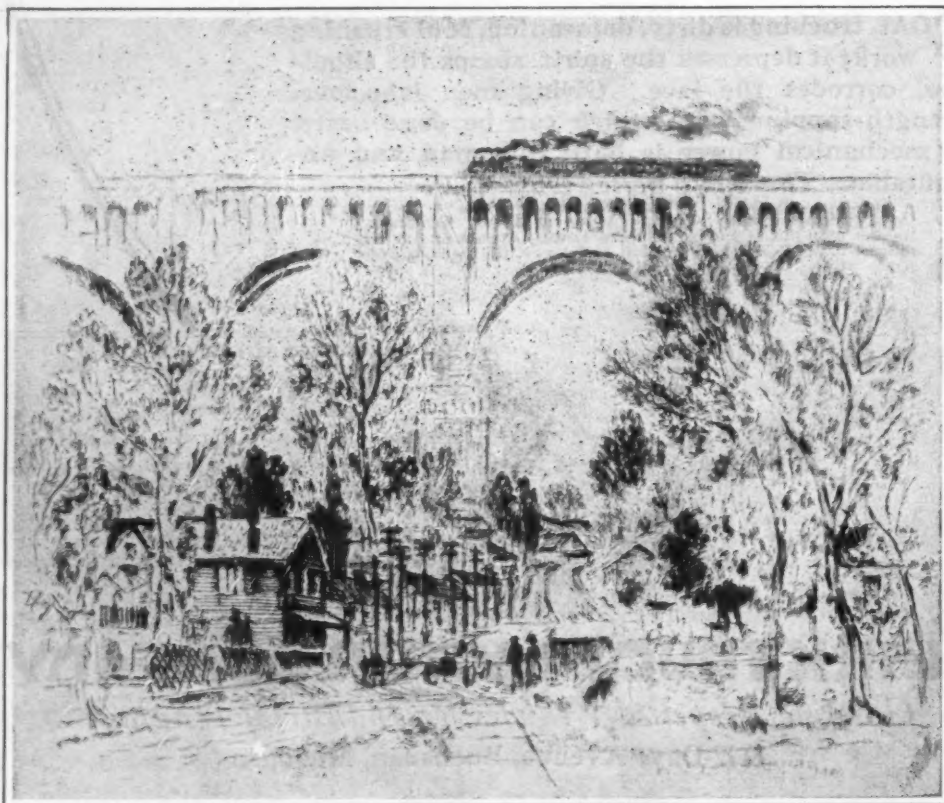
**T**AKING a sample page of the existing tariff, one showing rates from six groups of brick producing points in Tennessee, Alabama and Virginia to 62 destination points in Georgia, it developed that there were 664 possible routes open. Under the Commission's order many of these routes were closed to some or all of the six groups.

After all that had been checked out and the permissible routes shown in the tariff, all printed in fine type, condensed and using code symbols wherever possible, there had been added to the one page of the original tariff no less than 22 pages of explanation and interpretation. Faced with the appalling possibility of increasing the size of the tariffs twenty-fold, the railroads went back to the Commission and asked that the new order be suspended to see if some other solution could not be found.

Increasing the tariffs many-fold might cause a boom in the paper-manufacturing and printing industries, and create a demand for a small army of extra clerks to compile,

quote and interpret the new pages of explanation and limitation—but it would be hard on the shipper and the railroads in a good many ways. Elevators located on the tracks of the Texas & Pacific, seven miles from New Orleans, but in the New Orleans Industrial District, and railroads bringing grain to New Orleans, destined to the Westwego Elevators, absorb the switching charges, making the total through rate to the elevators the same as to New Orleans proper.

The ingenious shipper advanced the claim that the fact that the T. & P. had to handle the cars to Westwego, even though it was just a switch movement in the New Orleans district, made that carrier a necessary part of

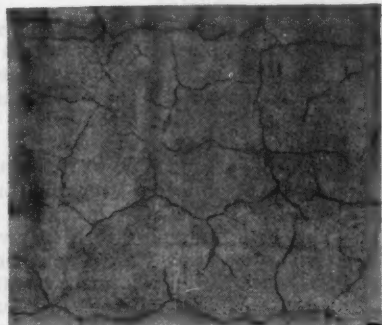


Lackawanna Viaduct—near Scranton, Penna. The railroad spent \$12,000,000 here to save twenty minutes running time between New York and Buffalo. Reproduced from an etching by Joseph Pennell



# YOUR Masonry Walls Are Crumbling Away

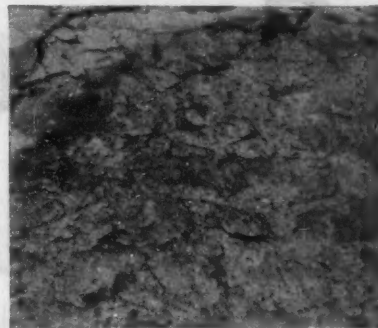
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Hair cracks



2nd stage  
Pronounced  
Cracking



3rd stage  
Inevitable  
Destruction



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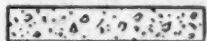
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any route; that the fact that it was not named as such in the various limiting tariff notes made these permitted routes incomplete; that in that situation any route over any carrier participating in the tariff could be used, unless it was expressly excluded; and that New Orleans or Westwego rates must apply as a maximum at any station directly intermediate on any such route not expressly prohibited.

Under this claim he routed his shipments to Atlanta by a bizarre combination of minor branch line gateways, not expressly mentioned in the tariff. The result was a weird and fantastic route, upon which he again claimed the New Orleans rate on grain shipped at Atlanta. It was then up to the Interstate Commerce Commission to say whether or not he wins his point.

This little example has been given somewhat fully to show some of the complexities that beset the men who make the tariffs, the shippers and the railroads who use them, and the Commission that must approve and sometimes interpret them. It is the constant aim of everybody concerned to simplify and clarify tariffs and routings, but it does seem that so long as we preserve competition in transportation there will be variety in routes and complexity in tariffs.

## A Senate Debate

**"LET'S STOP This Fifty-Fifty Business,"** by Senator James W. Wadsworth, of New York, which appeared in NATION'S BUSINESS recently, started a discussion and controversy in the Senate.

Senator Hiram Bingham, of Connecticut, had Senator Wadsworth's article inserted in the *Congressional Record*. In his request, Senator Bingham referred to this article, which was an argument for discontinuance of the practice of extending federal aid to states for highway development, as "a very able article by the senior senator from New York."

Debate on federal aid to highways flared up in the Senate. Part of the discussion, quoted from the *Record*, follows:

MR. PITTMAN. Mr. President, I notice in the *Congressional Record* of March 8 an article written by the Senator from New York [Mr. Wadsworth], which was published in the NATION'S BUSINESS for March, 1926, in which he opposes the "50-50" Federal road-aid legislation. I do not rise for the purpose of discussing that question. I rise for the purpose of answering some arguments of the Senator directed toward my own state, which I do not consider to be sound or justified.

He said in the article:

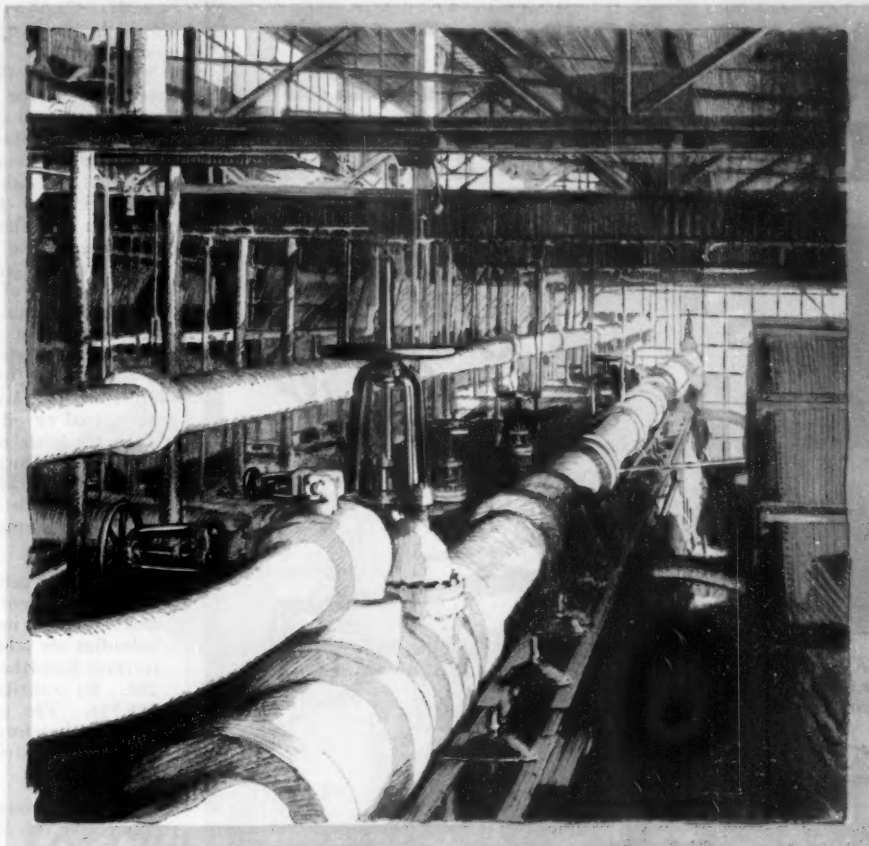
"The State of Nevada pays into the Federal Treasury \$760,000 annually and receives in subsidies, \$1,845,945."

Nearly all of the money received by the State of Nevada from the Federal Treasury is for two purposes, namely, for reclamation or for road building. Eighty-seven and one-half per cent of the lands in my state over which roads are built are public lands, owned by the Government of the United States, and 12½ per cent are lands owned by individuals.

The situation is entirely different in a state like Pennsylvania, where all of the land is owned by individuals. It may be true in the State of Pennsylvania, where all of the land is taxable, that there is a bonus of 50 per cent of the cost of the roads granted by the Federal Government to the state. There is no bonus to the State of Nevada. We simply ask the Government to build their roads on their land, and we will join with them and build our roads on our land. Yet it is contended that the money that has been spent in building roads on 87½



... CRANE VALVES ...



Johns-Manville Waukegan plant was designed by Johns-Manville engineers and erected under their supervision. Piping installed by W. A. Pope, Chicago. The illustration above shows the sixteen-inch main steam header in the 10,000 h. p. power plant. In each boiler lead, there is a gate valve, a non-return valve, an angle valve, a long-radius pipe bend. All of Crane quality.

## When engineers build for themselves

SOME forty miles north of Chicago, on the shore of Lake Michigan, is the great Waukegan plant of Johns-Manville Inc. Its thirty-one acres of floor space for the manufacture of asbestos products are served by nearly five miles of railroad sidings, a private ship canal, and a 10,000 h. p. power plant.

When so vast an institution selects Crane valves, fittings, and piping for its entire installation, the tribute to Crane quality is impressive. In this instance the commendation of Crane quality is doubly notable because Crane piping materials were specified by Johns-Manville power engineers, whose experience "covers the continent."



A Crane double faucet with swinging spout, with convenience as great as its quality.

In line of duty, they are constantly studying piping equipment in the leading power plants from coast to coast. From actual observation of Crane materials in use, they knew the value of the 71-year Crane reputation. They had checked Crane safety, dependability, and economy; not in books of blueprints and figures, but in the pages of actual experience.

In place of a large factory, you may direct a city water works, or just a small home. You may need a giant gate valve or only a faucet for a kitchen sink. In either case, to make certain of the lasting service that engineers approve, always specify Crane.

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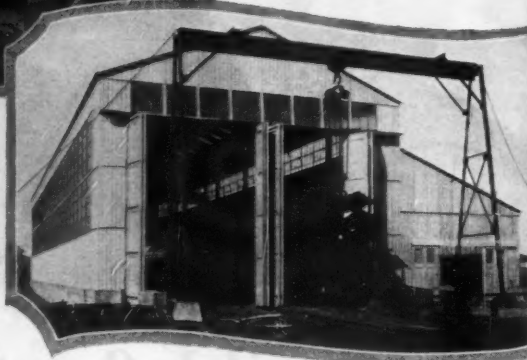
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# BLAW-KNOX STEEL BUILDINGS



Above—Interior of Blaw-Knox Steel Building erected for Pure Oil Company of Heath, Ohio, showing crane-way for ten ton frame. Complete erection consumed twenty-seven days.

Right—Exterior view of same building.



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Blaw-Knox Steel Buildings are Low in First Cost because standard design and quantity production have reduced costs to the lowest possible figure.

They are easy to erect coming to you from stock all ready for erection.

The cost of maintenance is low because Blaw-Knox Steel Buildings are not ordinary steel buildings. They are made from copper-bearing galvanized steel sheets. They are weather-tight and always will

be. From ridge cap to sill the perfection of detail attained through more than fifteen years of experience effectually excludes moisture in any form, and moisture is the starting point for rust and leaks—and expense.

There are no bolts or rivets through the roof sheets of any Blaw-Knox Steel Building. Every joint and every connection is designed for weatherproof stability.

An inspection of Blaw-Knox Steel Buildings, particularly those which were erected ten or more years ago will add emphasis to the statement that they are the *lowest-cost-per-year* steel buildings and will also show why so many have "put it up to Blaw-Knox."

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per cent of the lands in Nevada was a bonus to Nevada. That is a part of the calculation involved in the figures submitted by the Senator from New York.

MR. SMOOR. I think it is well to state at this time that if the Government will give the western states all of the public lands within the borders of the states, we will build our roads and we will attend to the management of all our affairs and ask nothing of the Government.

MR. PITTMAN. I agree with that, and I was coming to it. The western senators and representatives, in the thirteen years I have been here, have time and time again proposed that to the Congress of the United States.

In Pennsylvania every bit of the property, every resource of the state, is subject to taxation. In the State of Nevada the public lands are not taxable by the state, nor are the resources of the land, such as timber, fodder, grasses, coal or oil.

Take the State of Wyoming, which the Senator from New York has attacked as an example. Let me read a statement of the facts about that state, and let us see what would happen. This is the statement of the Senator from New York:

"Wyoming gets \$5,143,434, an amount equal to 246 per cent of the amount of Federal taxes it pays into the Treasury. When the subsidies are added to this amount, Wyoming receives from the Federal Government \$6,491,285. Its contribution to Federal taxes is \$2,088,353. The amount of the subsidies and refunds therefore is equal to 310 per cent of the state's contribution to the National Government."

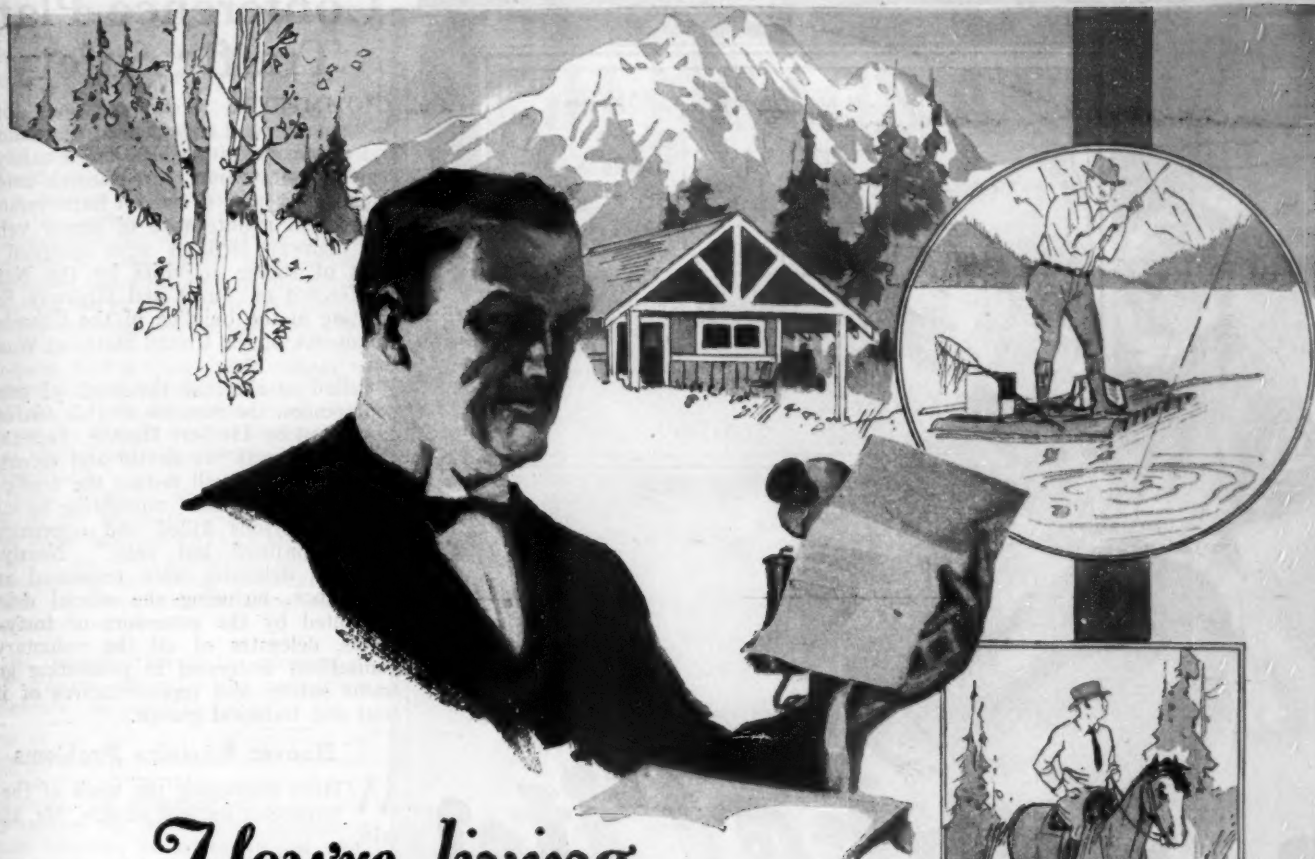
From what source does the Federal Government receive the \$6,500,000 going into development of Wyoming? It gets it from 47½ per cent of oil royalties from the leasing of oil lands. If the State of Wyoming owned the lands and the minerals in them, instead of getting 47½ per cent royalties spent in the state, it would be entitled to all the royalties, and all the royalties would amount to over \$10,000,000. It is entitled to receive, on the basis of the treatment given Pennsylvania, \$10,000,000. Then it is paying back to the Government \$2,000,000 in addition to the \$10,000,000 it should receive. It pays \$12,000,000, and it receives \$6,000,000 for the building of roads and reclamation projects on government lands. In other words, for its road purposes and its reclamation projects it is receiving from its own resources \$6,000,000 and paying to the Government from such resources \$12,000,000.

The injustice of this argument toward the public-land states must be apparent to everyone. I believe that the Senator from New York would favor turning over the resources within a state to the state. But so long as that is not done we are in this helpless position: That on the oil that comes out of our ground, instead of receiving a reasonable royalty, which is equivalent to a tax, we receive only 37½ per cent. Instead of getting a reasonable royalty on the coal that comes out of the ground, in lieu of a tax, we get only a part of that royalty, and the rest of it goes for other purposes.

What we ask of those who are constantly arguing for state rights, like the Senator from the State of New York [Mr. Wadsworth], is to look outside of the borders of their own wealthy states to those states which need state rights a great deal more than the State of New York. We are compelled to live as tenants of the Federal Government.

Let us have a movement in this Congress to turn over to us the public lands, the land reserves, and the natural resources in those states and then, as we have been telling the Congress of the United States during the past thirteen years, we will not come back to you for that character of aid against which you complain. Do not make parks, game reserves, and recreation grounds of the whole west for the benefit of the world, and then criticize us because we ask you to build a road on your own lands.





## You're living too close to your job

You think you can't take a real holiday—a long holiday. You're too important to your own office. Big business man—penalty of greatness—etc. So you golf a bit and let it go at that . . . and it goes.

But the fact is your brain can't get 100 per cent on the job any more because it isn't a 100 per cent brain any more—and you know it. It's frayed around the edges from too much concentration. You talk business at the country club. You think business coming back from the theatre. The dressed up holidays your wife makes you take are like hot chocolate after dinner—no kick to it. Sometimes you're guilty of wondering who started all this anyhow. **You're stale.**

You need outdoors . . . with the grass on. You need a horse—or a canoe. You need a rod—or a gun—and a camera. You need a tent—and a campfire—and an appetite. You need a skyline without smoke. You need air full of keen smells—trees, and water, and flowers, and glaciers. You need a world without noise in it—except the singing of the wind in your ears, and the sound of your horse's feet. You need stars after dark—not electric lights. You need sleep that goes miles down, without a dream.

You can have all this without being out of reach of the telegraph—or you can cut off clean. You can drop ten years in four weeks—and pick them up in dividends.

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 New York, Madison Av. at 44th St.  
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## Conference Plans Traffic Safety

COMMITTEE recommendations for the enactment and enforcement of traffic laws and regulations, for education in safety and accident prevention, for research into the causes of accidents, and for improvement of design and maintenance of motor vehicles, and highway facilities were accepted as a basis of future activities by the National Conference on Street and Highway Safety, meeting in the building of the Chamber of Commerce of the United States at Washington.

Called to continue the work of previous conferences, the purpose of this conference, as defined by Herbert Hoover, Secretary of Commerce, was "to devise and recommend measures which will reduce the traffic accidents in the country," amounting he said, to "23,900 persons killed and approximately 600,000 injured last year." Nearly one thousand delegates were registered at the conference, including the official delegates appointed by the governors of forty-three states, delegates of all the voluntary organizations interested in promoting greater traffic safety, and representatives of industrial and technical groups.

### Hoover Explains Problems

WHEN appraising the work of the conference at its final session, Mr. Hoover said,

We have manifestly a minimum of 20,000,000 people—over one-sixth of our population directly driving these vehicles. Probably another 10,000,000 people drive from time to time. All human beings are of unequal capacity and unequal character. We have not alone to consider the engineering problems involved by the imposition of this great discovery in transportation, but we have a multitude of human problems to consider in connection with their drivers.

I believe these conferences have had the most profound effect in advancing the public view, developing scientific thought and gradual advancement of the problem toward solution. Our work is not completed with the formulation of results of investigations of common conclusions at which we have arrived. We must secure their acceptance and they must be put into action. . . .

### Expresses Need of Cooperation

THE GROWTH of our population, the growth of industry, the growth in complexity of our civilization itself demands of the American people a far wider degree of cooperation than today if we are to continue to progress. In those days when there were about three men in a county they seldom rubbed elbows, but today, when we have as many as seven millions in a county, we are confronted with a multitude of problems that can be solved alone by intelligent cooperation of the entire community. I have conceived this conference and other conferences of this character as perhaps the first steps in a new conception of government.

In behalf of better traffic laws and regulations the conference advocated a uniform vehicle code, including a uniform motor vehicle registration and certificate of title act, a uniform vehicle operators' and chauffeurs' license act, and a uniform act regulating the operation of vehicles on highways for enactment by each of the states and the District of Columbia. A suggested model for such a code, presented in the report of the Committee on Uniformity of Laws and Regulations, with some modifications was approved by the conference and recom-



# Salt Lake City

## for Branch

## MANUFACTURING PLANTS

A GLANCE at the map will show you that Salt Lake City occupies the strategic position for branch manufacturing plants and distributing offices in the great west. The eleven states surrounding Salt Lake City and known as its trading area, comprise

a population of 10,667,687—U. S. Department of Commerce estimates for 1926. This is a gain of over 16½% since 1920. Surely, any contemplated program of expansion ought to consider the advantages offered by this city, especially for the establishment of branch factories and distributing agencies.

**Transportation**—Six railroad lines radiate from Salt Lake City to every section of this territory. Even the most distant points, in any direction, in Salt Lake's trading area, are less than two days away by fast freight. *The markets of the west are served from Salt Lake City.*

**Economics in manufacturing** are effected by proximity to the sources of supply of raw materials. And in this, Salt Lake City is most advantageously situated, being in the center of America's richest mining area in which 210 different kinds of materials are known to exist.

Nearly every raw material needed for modern manufacture is within easy access of Salt Lake City.

*Specific up-to-date data, embracing not only the material resources of the territory adjacent to Salt Lake City, but also an analytical territorial analysis is provided in booklet form.*

*Requests to the Department of Industries, N-1, Chamber of Commerce of Salt Lake City, Utah, will be promptly answered.*

### A Few Industrial FACTS about Salt Lake City and Utah

In 1925, Utah led all western states in value of minerals with production valued at \$120,000,000.00. Utah was first in silver production; second in lead; third in copper; sixth in gold.

Utah is the Steel State of the west. One billion tons of iron are known to exist in Utah, easily accessible. The Pacific Coast is being served with pig iron made from ores mined in Utah. One-fifth of Utah is underlaid with coal, the coal resources of the state being estimated at 196,458,000 tons.

Oil has recently been discovered in Utah.

In 1925, Utah was first among the states in the production of alfalfa seed, producing 46% of all the alfalfa seed raised in the U. S. In yields per acre, Utah ranked first in sugar beets, alfalfa seed and spring wheat.

Chamber of Commerce, Salt Lake City, Utah



mended to the National Conference of Commissioners on Uniform State Laws, and to the state legislatures as the basis of uniform legislation. The conference recorded its belief that:

The Uniform Vehicle Code should be supplemented by state administrative regulations which should, as far as practicable, be developed on a uniform basis through cooperative action of the associations of officials concerned, particularly the state highway officials and motor vehicle commissioners, together with joint committees including other public officials and representatives of automobile clubs, scientific organizations and commercial and other bodies concerned.

The uniform Vehicle Code should further be supplemented by local traffic ordinances with regard to which progress toward uniformity should be sought through state or regional conferences of officials and other persons or organizations interested.

Local traffic ordinances should also be supplemented by the necessary detailed rules and regulations to be established by local authorities, and uniformity in such regulations should be secured through the associations of officials concerned, with the cooperation of other persons and organizations interested.

From its consideration of the problem of providing greater safety for the pedestrian, the conference declared that:

In view of the fact that fatal collisions of motor vehicles with pedestrians, already amounting to 60 per cent of the total number of fatal traffic accidents, are increasing at a rate out of all proportion to the rate of increase in other traffic fatalities, the education and regulation of pedestrians as well as of drivers should be given greater attention than at present.

Pedestrians and motorists should bear a considerate attitude each to the other. Along rural highways, wherever there are suitable sidewalks or paths, pedestrians should use them. Where there are none, they can generally walk most safely on the left-hand side facing the traffic, having due regard to danger at curves, but should not force motor traffic out of line or otherwise impede it.

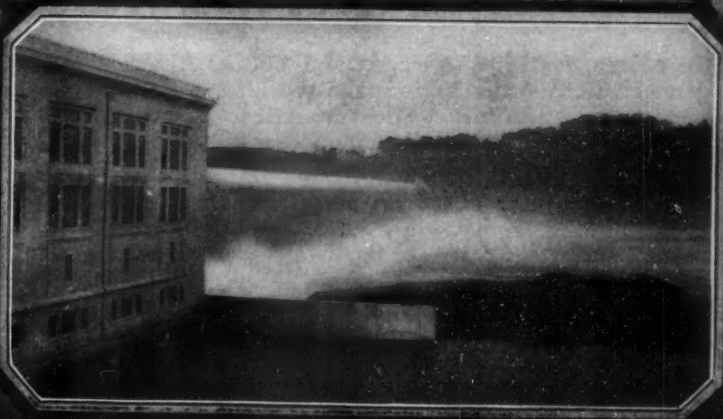
#### Teaching Pedestrians Safety

**I**N CITIES, pedestrians should be instructed, urged and required to keep within the boundaries of designated safety zones and crossing places and, when there is congestion, to cross only with the traffic. Motorists should be required to accord pedestrians safe and dignified use of such safety zones and crossing places. Pedestrians, as well as motor vehicle operators, should be required to obey the traffic rules and regulations and should be punished by adequate fines for failure to do so.

Model laws would be enacted to no purpose, the conference realized, if enforcement should be inadequate. With regard to enforcement of traffic laws and regulations, the position of the conference is that:

State laws should prescribe a uniform system of enforcement to be applied in part by the state courts and administrative machinery and in part by the local authorities. The necessary special traffic control and traffic patrol police should be provided and the regular police should participate in traffic enforcement. Provision should be made for prompt and thorough collection of evidence and investigation of accidents; for special traffic courts or special traffic sessions of general courts, and traffic violations bureaus with a schedule of penalties for disposing of minor infractions, so as to give the courts more time to deal adequately with more serious cases; uniform permanent records of all convictions of traffic violations and traffic accidents, suspensions and revocations of operators' licenses and refusals to grant licenses; and exchange of detailed information between jurisdictions as to suspen-

# HIGH HEADS AND LOW

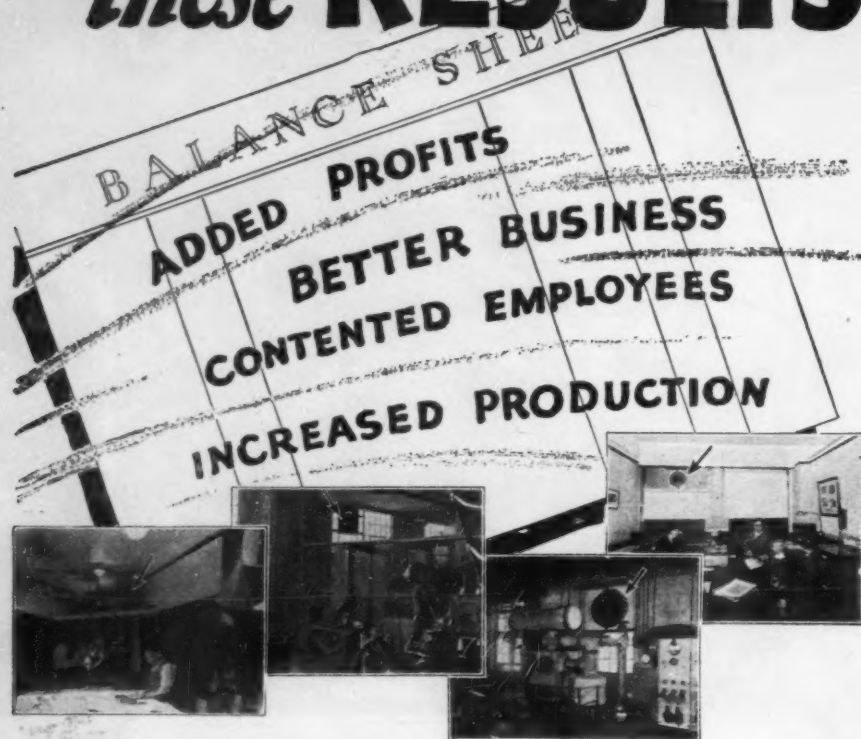


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sions and revocations of licenses and convictions for serious traffic offenses. Neither the traffic officers nor the court judges should receive any fees from the money collected from traffic convictions.

The courts and the police through vigorous enforcement and evenhanded treatment of offenders should instill, in the public, respect for the traffic laws and regulations.

Public opinion in support of enforcement should be organized through a representative citizens committee in each locality, forming part of an organized effort of all elements in the community interested in street and highway accident reduction.

With regard to the importance of training for the prevention of accidents the conference declared that safety should be regularly taught in the elementary schools, and at playgrounds, and applied through the Boy Scouts, Girl Scouts, and other junior organizations. The need for advanced training in accident prevention was recognized with the recommendation that it be developed in secondary schools and universities.

Discussion of items for inclusion in the conference program of traffic improvement developed the conclusion that

In each city there should be an official traffic commission, including such officials as the chief of police, city engineer, engineer of the city plan commission, chief of the fire department, a representative of the public authority supervising city transit and transportation, a member of the city council, and a representative of the city's legal department.

### Permanent Commissions Wanted

THIS COMMISSION should be a permanent body having the services of an engineering staff, preferably in charge of a trained traffic engineer, and should prepare a comprehensive traffic plan, and make and keep up to date a traffic survey, and recommend a traffic ordinance and regulations or recommend from time to time any necessary modifications in the existing ordinance and regulations.

The regional character of traffic is suggested in the recommendation that—

To provide unified consideration and treatment of traffic problems in metropolitan areas which include more than one city or a city and politically independent suburbs, it will generally be necessary to depend upon an enlargement of the unofficial traffic committee of the central city by adding proper representatives of important suburban communities, or, in the case of two large cities in a single metropolitan area, to form a joint traffic committee with representatives of suburban communities added. When developments warrant, an official metropolitan authority should be created to control physical growth and provide for proper traffic facilities within large population centers.

A recommendation for the progressive elimination of grade crossings was approved by the conference with due regard to the financial requirements involved. This approval also included the safeguarding of railroad crossings remaining at grade.

The development of the conference program was centralized through the conference and its committees, but for obtaining adoption of definite parts of the recommended policies reliance is placed on cooperative effort of the various associations and groups represented.

The scope and organization of committee work under the several activities proposed by the conference was outlined with the conclusion that—

As accident reduction and the improvement of street and highway traffic conditions are primarily a problem concerning the states and municipalities, state, regional and local confer-



ences will in many cases furnish a valuable means for working out the application of the National Conference recommendations to the conditions in various sections of the country. In communities where safety organizations already exist, such conferences should furnish the means for stimulating their work; and in cases where no safety organizations exist, the formation of such organization, of a type appropriate to the size and condition of the community, should be a logical outcome of state, regional or local conferences. Such conferences will afford opportunity for appropriate activity by the associations and groups undertaking to promote the adoption of various parts of the conference program.

## Decisions of Interest to Business

**PHYTONOMUS POSTICUS**, alias Alfalfa Weevil, has been before the Supreme Court of the United States and its case gave rise to an opinion running to 4,000 words. It is one of the insects which plague agricultural enterprise. Arriving from Russia about 1904, it has spread throughout a good part of the West, apparently doing much of its traveling in alfalfa hay. To keep the pest out of Washington, its officials put into force a quarantine against the importation of any alfalfa hay coming from areas where the insect has become established.

The Supreme Court was certain that the state could set up such a quarantine, even though it stopped interstate commerce, if Congress had not taken action on the subject. When Congress acts, however, with respect to interstate commerce its authority is paramount, and a majority of the court was of the opinion Congress had acted in 1917, when it authorized the federal Department of Agriculture to institute quarantines against the spread of agricultural pests.

The majority thought Congress had "the intention to take over to the Agriculture Department of the Federal Government the care of the horticulture and agriculture of the states, so far as these may be affected injuriously by the transportation in foreign and domestic commerce of anything which by reason of its character can convey disease to and injure trees, plants, or crops."

Two of the justices protested that they could not believe Congress had an intention to deprive the states of power to protect themselves against threatened disaster when the Secretary of Agriculture at Washington did not see fit to act.

**SHODDY**, the Supreme Court said in March, has nothing in its nature that will permit the legislature of a state to forbid its use as a filler in making comfortables and other kinds of bedding.

A law of Pennsylvania defined shoddy as any material which has been spun into yarn, knit or woven into fabric, and subsequently cut up, torn up, broken up, or ground up. The use of other second-hand materials, such as feathers, the law permitted after there had been sterilization, and the law regulated the methods of sterilization. When this law was taken before the courts, the evidence was that any shoddy may be made harmless by disinfection or sterilization.

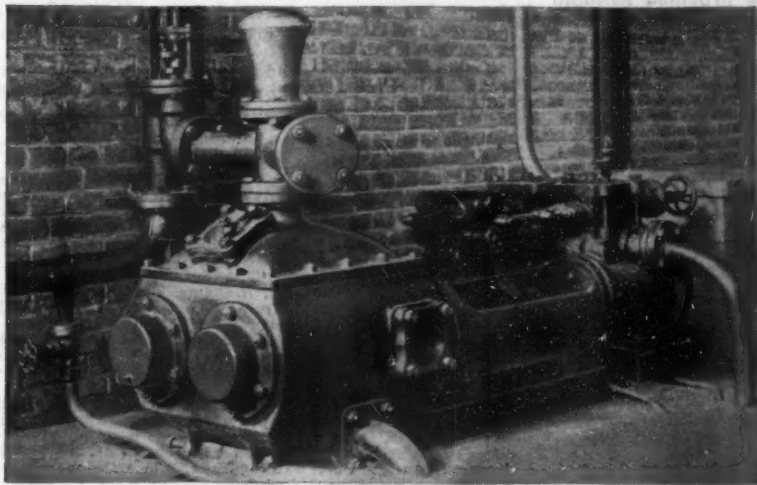
Upon this state of things the Supreme Court said: "Shoddy-filled comfortables" made by the manufacturer who began the proceedings "are useful articles for which there is much demand. And it is a matter of public concern that the production and sale of things necessary or convenient for use should not be forbidden. They are to be distinguished from things that the state



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You have heard a great deal about the efficiency and long terms of low cost service that Europeans expect from machinery—and it is true. That is why so much Worthington equipment is used abroad. Worthington equipment always embodies advanced principles of engineering and appeals to European engineers, as at home, because of its economy of operation over long periods. Like sturdy oaks, Worthington machines grow old slowly and gracefully.



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*Living is inexpensive. Alert native labor is plentiful. Disturbing elements are absent.*

*New industry is exempt from local taxes for five years. State levies are low. Georgia has no income or inheritance tax. Sites with both trackage and frontage on the Atlantic's finest landlocked harbor will be provided suitable industries.*



**Keyport  
to the Southeast**

Health is the manufacturers' friend at Brunswick, Georgia's deep water port. Production curves are level, because even minor illness is unusual. Invigorating breezes from the ocean keep the summer cooler than many places north or south. Winter is warmer.

Summer temperatures average 76 degrees; winter, warmed by the Gulf Stream, has a mean temperature of 59 degrees.

This healthful, mild climate permits outdoor work every day in the year. Investment in buildings, often in equipment, is reduced. Then, too, Brunswick's unique combination of deep harbor, rail connections west, north, south, makes prosperous markets closer, raw material accessible. Intelligent labor, water-hauled fuel oil for power, are available.

Brunswick's landlocked harbor is the key to a rich empire. The largest ocean liners enter without tug in two hours—seven miles from the open sea to the farthest dock.

Forty miles of deep water front for docks. Over 21 square miles of anchorage basin. Two and two-thirds square miles over 30 feet. The channel is over 500 feet wide. Each of these facts helps reduce shipping costs. Three trunk-line railway systems—Southern, Atlanta, Birmingham & Atlantic, Atlantic Coast Line—fan out through the astounding Southeast development.

Florida is nearby. Georgia, Alabama, Tennessee, the Carolinas, Mississippi are rich in natural resources and markets. Twenty million prosperous consumers are within 24 hours of Brunswick. St. Louis, Louisville, Cincinnati, Chicago are closer than they are to the North Atlantic. South America, Southern Europe, the Near East, the Orient are nearer Brunswick.

Raw materials flow easily, cheaply, to Brunswick. Iron and coal from Birmingham, phosphate from Florida, minerals, fuller's earth, and clay from nearby Georgia points reach Brunswick at low cost. Rosin and turpentine are produced in vast quantities. Pure water gushes from artesian wells.

**BRUNSWICK**  
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is deemed to have power to suppress as inherently dangerous."

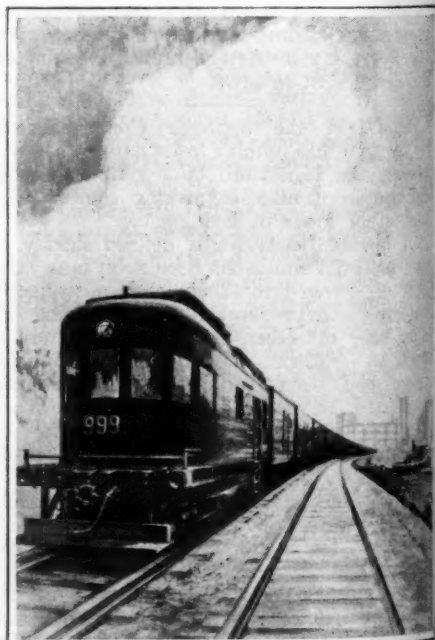
Three of the members of the Supreme Court, however, would have reached a conclusion that the state law was constitutional. They reasoned that the state legislature might be of the opinion that, as it is impossible to distinguish between innocent and infected material, prohibition of the use of the material is necessary to prevent all danger, and that the Supreme Court should respect such a legislative point of view when expressed in a state law.

**INHERITANCE TAXES** may receive some simplification through decisions of the courts. In March, the Supreme Court of the United States made a contribution in that direction.

North Carolina had a law under which it tried to levy an inheritance tax upon stock which was owned by a resident of Rhode Island, and which was stock in a New Jersey corporation admitted to do business in North Carolina and owning property there.

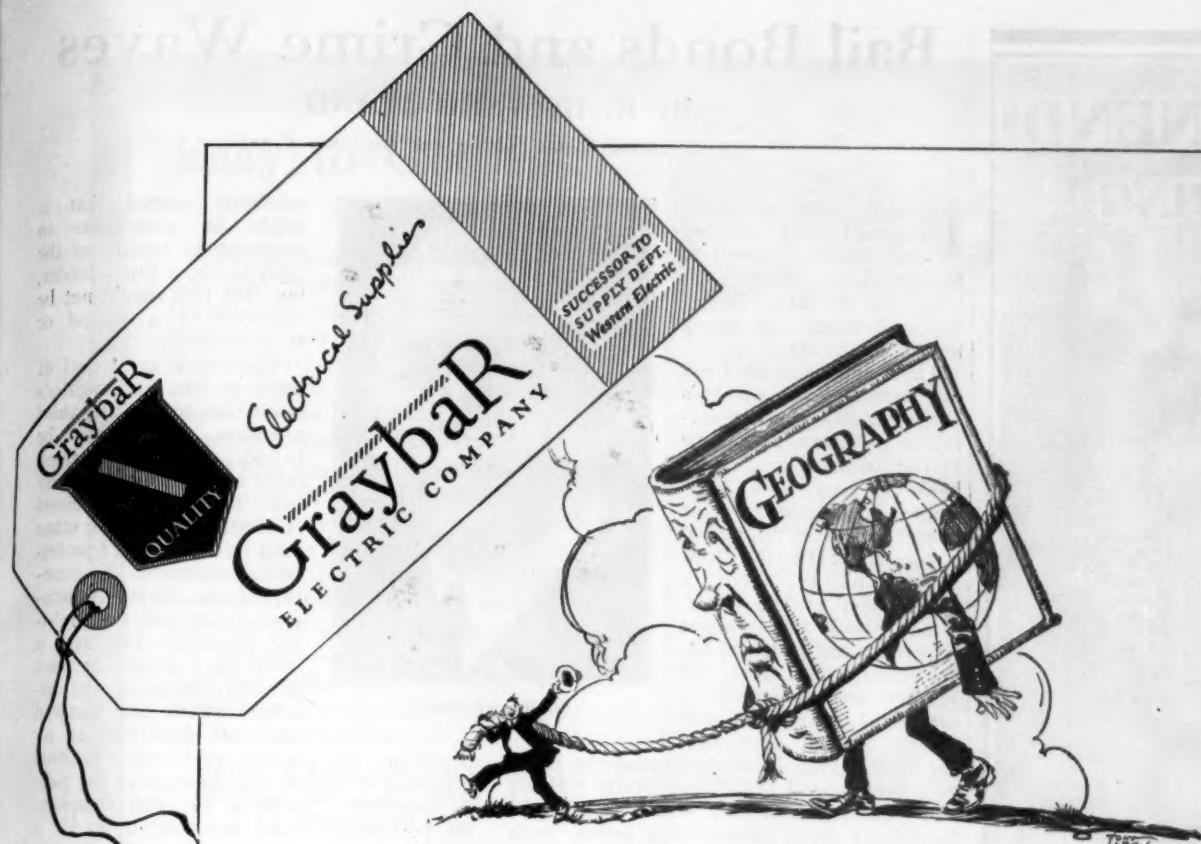
The Supreme Court was unanimous in saying that North Carolina was trying to go beyond its reach. "A state has no power to tax the devolution of the property of a non-resident unless it has jurisdiction of the property devolved or transferred," the court said. In this instance, only the property within the state belonged to the corporation. Any theory that the owner of shares of stock in a corporation is the owner of the corporation's property is wholly unsound.

At the same time, and in another case, the court by a majority decided that Wisconsin had gone too far in its law for an inheritance tax. The Wisconsin law said that any gift made by a person within six years of the time he happened to die was to be considered in contemplation of death and accordingly subjected to the state's inheritance tax. A wealthy man made large gifts to his wife and children and died within six years. There was proof that he did not make the gifts in contemplation of death. The court by a majority decided that the Wisconsin law was purely arbitrary and consequently conflicted with the Fourteenth Amendment of the Constitution of the United States.



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There are fifty-five Graybar warehouses located at strategic points of distribution. The demands of this nation-wide chain of warehouses keep manufacturers busy, permit of quantity purchases and low freight rates, and make it possible for the manufacturer to produce and the consumer to buy quality electrical supplies at fair prices.

Fifty-six years as the Supply Department of the Western Electric Company has given us the wisdom of age in judging character in the goods we distribute. As the Graybar Electric Company we now add to that wisdom the zeal of youth to serve.

## Bail Bonds and Crime Waves

By R. HOWARD BLAND

President, United States Fidelity and Guaranty Company

**I**N MAY, 1924, two well-groomed men entered the office of a jeweler in Maiden Lane, New York City, and purchased bracelets and rings aggregating in value over \$14,000.

These gentlemen tendered in payment a cashier's check for \$14,500, purporting to be drawn by a New Haven bank upon a large bank in New York City. Before surrendering the gems the jeweler dispatched a messenger to the New York bank to obtain a certification of the check.

The check was brought back duly certified, and the customers were given the jewelry and difference in cash and invited to call again. Several days later the New Haven bank repudiated the check as a forgery and the United States Fidelity and Guaranty Company, which insured the New York bank against such losses, made good the loss.

### Noted Criminals on Bail

**T**HE FORGERY impressed our investigators as the work of a certain gentleman named "Scratch" McCarthy, and thereupon began a protracted search which ended in New York with McCarthy's arrest some months ago. Mr. McCarthy has at last been tried, found guilty, and sentenced to eighteen years in prison.

Although McCarthy was not more than a boy when first arrested in 1900, he has been in the hands of the police twelve times and has been sentenced in those intervening twenty-five years to the following:

- Ten years in Elmira Reformatory.
- Six months in Hudson County Penitentiary.
- Nine years in Sing Sing.
- One year in New York City Penitentiary.
- One day in U. S. Marshal's custody.
- Two years in New York State Prison.
- Eight years in Sing Sing Prison.
- Ten years in Sing Sing Prison.

This last-named ten years will begin after the eight years have expired. The eight years are his punishment for the Maiden Lane episode.

Therefore, this gentleman with a penchant for signing other people's names has been meted out on different occasions sentences totaling forty years.

Now comes the point: When put under arrest, McCarthy's attorneys promptly offered bail. The bail was furnished by a surety company, comparatively recently organized and not a member of the Surety Association of America.

One of the bracelets, valued at \$2,500, part of the loot obtained from the Maiden Lane jeweler and for which we were compelled to pay, was pledged as collateral with the surety company.

Police Commissioner McLaughlin, of New York, in a recent address before the New York State Chamber of Commerce contended that surety companies writing bail bonds for those arrested for crime were endangering the public interest. The Com-

missioner agreed that it might be permissible to grant surety companies the right to bail a first offender, but that this should not be extended to a second or third offender.

There is a great deal of merit in Mr. McLaughlin's stand that second and third offenders should not be bailed. I hardly think there are outstanding many bail bonds for habitual criminals executed by other than individual professional bondsmen. No member of the Surety Association of America, I am reliably informed, will issue a bond for a second or third offender, even if the offender offers one hundred per cent collateral as in-

demnity. The practice of bonding habitual criminals is vicious and opposed to the public interests. Speaking for one company, we personally would not tolerate it for a minute.

The provisions of the Mandelbaum bill now under consideration at Albany, denying the right of bail in cases of robbery, burglary, arson, or any other felony committed by a second offender should appeal to every surety company as timely and necessary to cope with the crime wave, which shows no sign of abating.

As to the first offenders, all persons charged with criminal offenses are, under our jurisprudence, presumed to be innocent until proved guilty, and many first offenders are permitted by the committing magistrate to be at liberty on bail pending further action in their cases. Hence, writing bail bonds for so-called first offenders is as a rule only reasonable. Keep in mind that the agent of a surety company cannot cut loose and write any and every bond at his discretion, but is very limited in his powers of attorney, and where the amount of bail is large or the hazard great he can act only with authority from his home office. And even with first offenders, we decline to write almost as many bail bonds as we write.

### Prefers Bonding Companies

**T**HIS article is not a brief for the surety companies and I have no thought in mind of endeavoring to defend them, but let me be permitted to quote the comments of District Attorney Joab H. Banton, of New York County:

"Following out the business idea of the bail question, the bonding companies are much more to my liking than the individuals. for this reason: it is a matter of business pride and business ruling to see that they do not lose any money; therefore, when the person, for whom a bonding company acts as surety, fails to appear and it forfeits its bond money, it never rests until it apprehends that person and turns him over to justice."

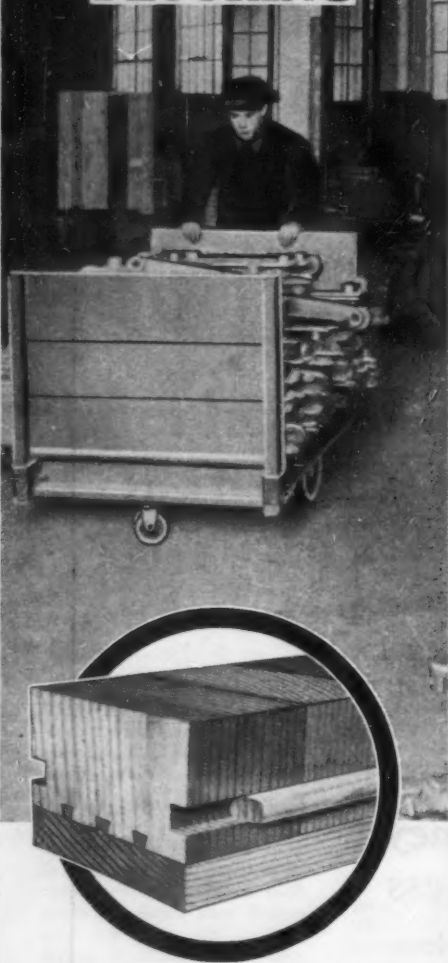
As a matter of fact, the writing of bail bonds is a very small fraction of the business of the average large surety company—with this company, less than two per cent



R. Howard Bland

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9/24	100	12/24	50	9/24	100	12/24	50	9/24	100	12/24	50	9/24	100	12/24	50	9/24
12/16	150	12/16	10	11/11	100	12/16	10	11/11	100	12/16	10	11/11	100	12/16	10	11/11
2/19/26	170															

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of its court business throughout the United States and Canada comes from bail bonds—and, of course, there are very many bail bonds applied for daily by those guilty merely of minor offenses.

The principal business of the surety company, after all, is the writing of construction bonds, guaranteeing the completion of building operations; of depository bonds, protecting public moneys in banks; of bonds for employees, whether public, mercantile or bank; of bonds for fiduciaries, etc.

The surety company guarantees the construction of railroads; the tunneling of mountains; the digging of irrigation ditches and canals; the dredging of rivers and harbors; the erection of water-works for cities, capitols for states, and courthouses for counties; the building of lighthouses and public works. It watches over the employees of banks, thus sometimes saving the bank from ruin; it bonds railroad and transportation officials; it guarantees the performance of public and private contracts; the fidelity of public officials, requiring of them a frequent and exact accounting; and sees to it that fiduciaries render satisfactory reports of the trust funds in their custody.

### Against Bail For Criminals

WHILE this article is written with no thought of controversialism and certainly not intended to be propaganda, because the elimination of bail bonds would take little from the revenue of the average surety company, it may be of interest to present a memorandum of the policy on bail bonds of a few principal companies, as published in the Monthly Bulletin of the *Spectator* company:

#### American Surety Company:

"We will not issue bail bonds for criminals, be they first or second offenders."

#### Fidelity and Casualty Company:

"It is not the policy of this company to write bail bonds."

#### Fidelity and Deposit Company:

"My company does not send solicitors or

representatives to the criminal court to get bail bonds."

#### Globe Indemnity Company:

"Any sane man must be against bonding a known crook."

#### Hartford Accident and Indemnity Company:

"We are not interested in the execution of criminal bail bonds either for first or second offenders."

#### Independence Indemnity Company:

"Under no circumstances do we bond criminals with a police record."

#### Maryland Casualty Company:

"It is the policy of the Maryland Casualty not to write bail bonds except in those instances where moral turpitude is not involved."

#### Royal Indemnity Company:

"We are not interested in the writing of bail bonds."

#### United States Fidelity and Guaranty Company:

"All bail bonds issued by this company are arranged for by salaried employees in the company's office and we have granted no powers of attorney. We make no solicitations and no bonds are written involving the company in disagreeable cases or notorious crimes."

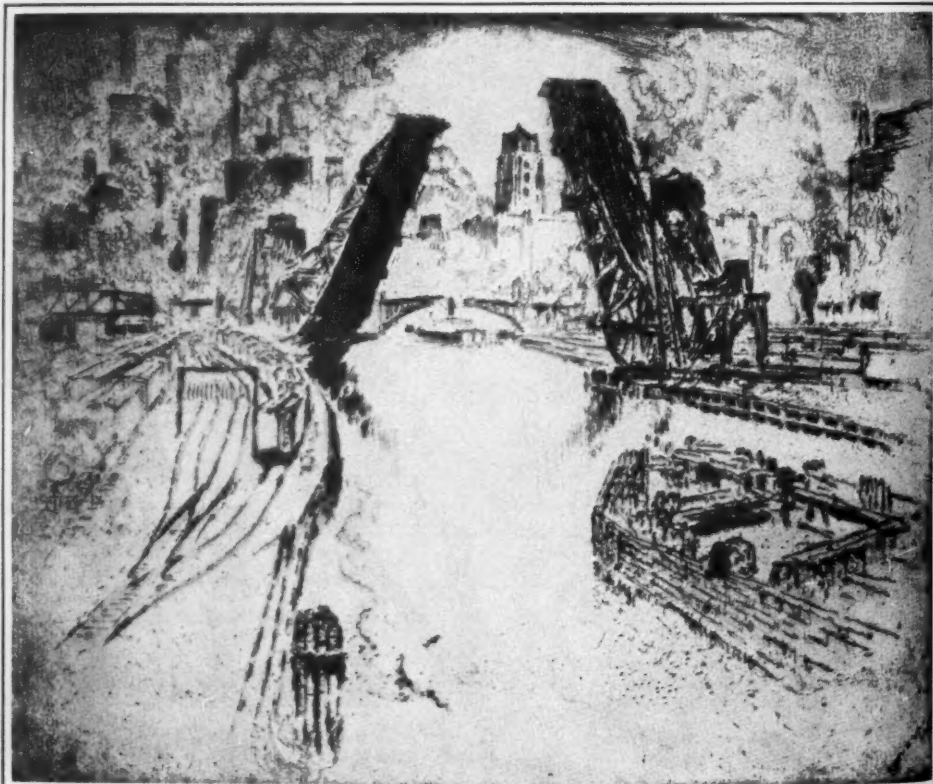
### Bailing Practices Condemned

WHEN the question of bail bonds first was agitated, a meeting of the Surety Underwriters' Association of the City of New York was held and the following resolution passed:

1. This association unreservedly condemns the bonding of habitual criminal or second offenders, whether by corporate or personal sureties.

2. This association calls on all surety companies to discontinue such practice, if it exists, and to make such careful arrangements for the issuance of criminal bail bonds that such practice cannot be pursued in disregard of executive instructions.

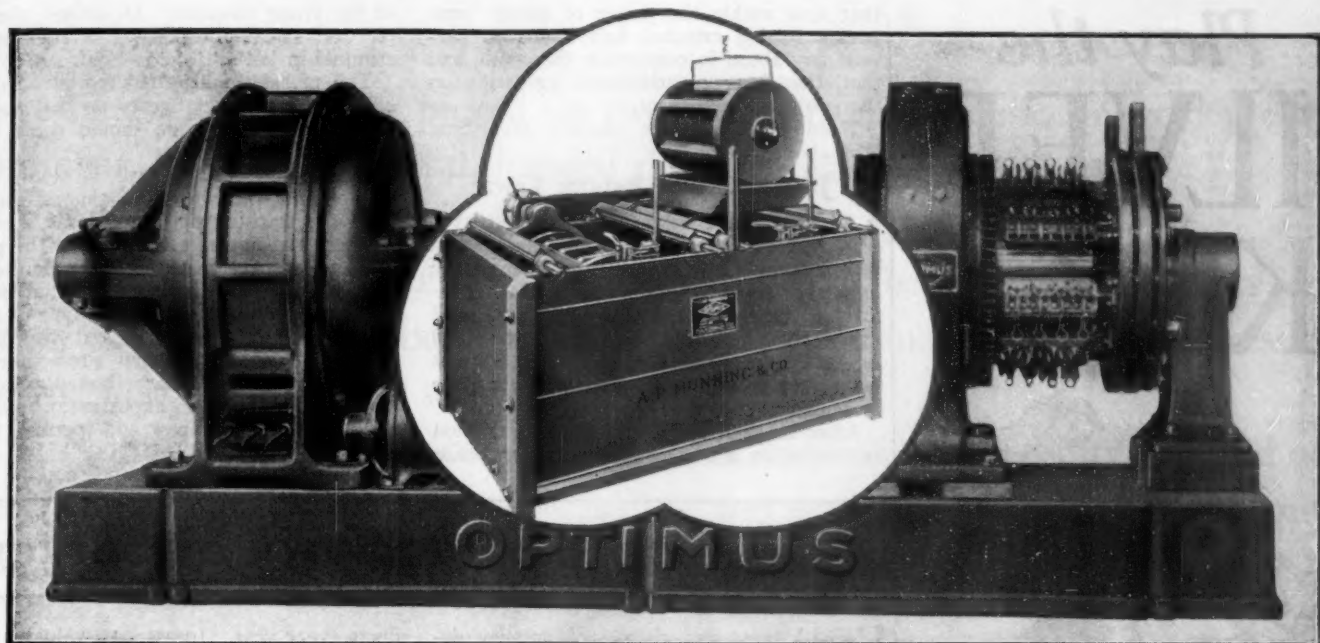
3. This association confidently believes



The Jaws—is the name that Joseph Pennell gave this bridge across the Chicago River

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that it is within the power of surety companies issuing criminal bail bonds to prevent any abuse in connection therewith, and that, therefore, no additional legislation on the subject is necessary.

Needless to say, we endorse everything said above.

## Judges Cannot Reform Laws

**MY OWN** feeling is that the status of bail bonds, so far as granting a man bail is concerned, does not rest with the judiciary but primarily upon legislative reform. The legislature makes the laws, and it is for the judiciary to enforce them; and let me emphasize that the judiciary and not the surety makes it possible for a man to be released on bail.

After all, bail bonds and their restriction or limitation are a relatively minor phase

of the crime situation. Of course, the simple and sensible expedient is to keep the criminal in jail until he is tried.

The present policy under which habitual offenders are set at liberty on bail and left free to ply their trade should come to an end.

But, more important still, if we are really to stem the tide of crime, then, I suggest, treat the tracking of criminals as a serious business and not as a sport; urge the public press to stop the featuring of desperate cut-throats and robbers as modern Robin Hoods; demand a radical change in the type of member of our criminal bar, and pay higher salaries to public criminal prosecutors, so that abler men will be attracted to office; and last, and most important, mete out more severe sentences and permit fewer paroles.

## Steel City Wealth Shown by Survey

**EVERY** now and then a community decides to take an inventory of itself, to find out what it is worth and to impress its possibilities upon others who, in turn, may add to its totals.

Too often the results, in dollar values, mean but little, because man as a rule still thinks close to the decimal point. For years a million dollars seemed the greatest material goal a man could or should visualize for his own use or misuse. Lately a few individuals have so far exceeded that hypothetical limit to heart's desire that their less fortunate brothers are a bit bewildered and mentally staggered at the thought of such totals. A billion dollars remains a "helluva" lot, but nothing more understandable to an average man.

Then, too, there are diverging ways in which to consider property values. For purposes of taxation, the state considers what property can do by actual performance, whether it does it or not. The owner or manager has a different set of values for his goods, equating past performance and probability into his judgment of what it will do in future. In the last analysis, an owner sets value, at least to his own satisfaction, on future performance. Both types of value can be computed in our common standard of value—money.

## A Real Standard of Value

**SOME** values which must be assigned to every community cannot be anything but intangible values. Being inexpressible, it is, strangely enough, the most vitally real of all standards of value. A community that makes cosmetics and rouge may exceed in product value another community that mills sugar or produces ink, but still its value to the world in the best sense is not so great.

Pittsburgh, a really great community, recently made a survey to find just what its value was in terms of money. The summary shows that the city and Allegheny County have grown in size and industrial importance more than is generally realized. The figures cited are impressive enough. The products of that county for the year past exceeded in money value the products of forty-one of the states of the Union. Her tonnage by rail and water exceeded the total combined tonnages of New York, Boston and Liverpool.

This one county now can produce almost three billion dollars worth of diversified pro-

ducts every year. In assessed valuation, she exceeds many states. Her bank clearings came to almost nine billion dollars. Five thousand manufacturing establishments are the actors in this mammoth epic of progress which has won the title for Pittsburgh of the workshop of the world. Each factory and mill has its wheels tuned to the rhythm of the community slogan "Pittsburgh Promotes Progress."

To anyone interested in more than a temporary set of values—for Pittsburgh's values will not stay fixed, but will increase—there is another and possibly better angle from which to view such a survey. The facts to be included are in such a survey, but are not to be found in the statistics nor in their totals.

## Humanity Pittsburgh's Debtor

**THE WORLD** owes Pittsburgh a debt, and always will. Progress and civilization alike depend upon machines. The "good old days" were not so good, if examined closely, for lack of machinery also meant lack of life in its fullest abundance. The world was never able to feed itself until machines made it a possibility and a desirable end from an economic standpoint.

Machines have existed, it is true, in some form or other, for many centuries, but something was necessary before they could become a substantial help to mankind. That something was cheap steel.

Steel was produced outside of Pittsburgh first, but it was that city which first put up the mills, furnished the men and turned it out in quantities that could be a real benefit. Selling it had never been a problem. The markets had been growing for centuries, waiting for the product.

Once begun, this process of making a product which the whole world needed had a favorable reaction upon the center which started it. The world will repay Pittsburgh for this gift if it in turn is a better place in which to live because of cheap steel. There is probably none to deny that it is, and will continue to be so.

The survey, "Know Pittsburgh and the Greater Pittsburgh District" was issued as a part of the Pittsburgh Forward Movement, conducted under the auspices of the Pittsburgh Chamber of Commerce, and compiled by the Commercial Development Department of the Philadelphia Company at Pittsburgh.



4

The First Vice President picked up two letters from his desk, fingered them a moment, looked thoughtful, handed them to his credit manager.

"What about these two houses?" he asked.

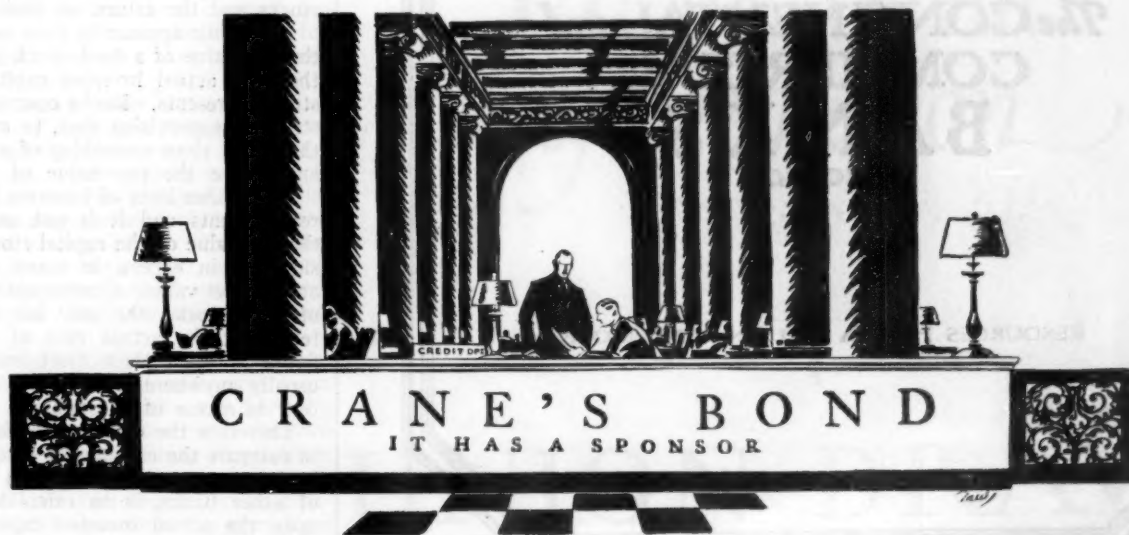
"As far as the matter of credit goes," replied the latter, "each offers perfectly sound collateral. But I must say that I got a more favorable impression of the first one than the second."

Nothing would have come of this incident, in all probability, if it had not been for the fact that the vice president was under the necessity of drawing the credit lines rather closely at this particular time.

\* \* \* \*

That is the interesting thing about such small details as the impression created by your letter paper. Lots of times they do not matter. At least, they do not seem to matter. But you can never be sure when they do and when they don't.

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## Popular Fallacies of Banking

By DR. W. F. GEPHART

Vice-President, First National Bank in St. Louis

THERE IS perhaps no business about which there are more prevalent misconceptions than that of banking. This is rather an anomaly when it is remembered that almost every one has contact and experience with banks. However, it is not so much with the details of banking as with the fundamental character of the business that the average person entertains these misconceptions.

Most of the popular fallacies regarding the function of a bank arise from the belief that, as the banker is a dealer in money and credit, he has some unusual control over their supply and that consequently he is also in a position to control the rate of interest. This belief naturally leads to the conclusion that the banking business is one that enjoys unusual profits. If this were the only popular misconception about banking, it would be an easy matter to disabuse the public mind by showing the statistics of actual bank earnings.

Furthermore, it could be shown that the banking business is one into which any group of individuals can enter without much difficulty which prevents it from enjoying an unusual return on the capital invested as compared with other lines of business. There are, to be sure, instances where large returns are secured. This, however, comes about not as a result of any unusual favorable condition inherent in the business, but as a reward of capable management.

### Real and Apparent Profits

FOR THE business, as a whole, returns on the capital invested are moderate, and in many instances, very low. This is especially true if the element of risk inherent in the nature of the banking business is considered. In the case of national banks, as well as some state banks, this expresses itself in the form of double liability on the part of the stockholders. In all probability, the popular impression as to large bank earnings is partly due to failure to distinguish between the return on the par value of bank stocks and the return on their book value.

The public apparently does not realize that the par value of a bank stock is always less than the actual invested capital which the stock represents. Banks operate under such stringent supervision that, to operate at all, they must show something of a surplus over and above the par value of their stocks.

Most other lines of business have no such requirements and it is not uncommon for the par value of the capital stock to be considerable in excess, in many cases, of its actual asset value. Consequently, in the case of bank stocks, the only fair basis for determining the actual rate of return is to figure it upon their asset value which is usually anywhere from 20 to 50 or 100 per cent in excess of par value.

Therefore the only true basis upon which to compare the earnings of banks with other business corporations, or with the earnings of other banks, is to calculate the return upon the actual invested capital or shareholders' funds which each share of stock represents.

It is a fundamental law of economics that where a monopoly does not exist, as in the



case of banking, but where the business is a freely competitive one, neither capital nor labor can enjoy, through a series of years, any unduly large return.

Another common fallacy is the belief that in some way bankers control credit. As a matter of fact a bank neither creates nor controls credit. As a dealer in credit the function of the bank is to pluralize or commercialize the existing credit of the individual or corporation to make it generally acceptable in the market for buying commodities and services.

The bank merely investigates the credit of the individual or corporation, satisfies itself that it is a sound credit meeting the requirements of commercial banking practice and for which the bank can safely exchange its credit, which is generally exchangeable in the open market, for that of the individual or corporation which is of more limited exchangeability.

The fundamental basis for all credit is the power and control which the individual or corporation has, either now or in the future, over goods and services which can be sold in the market. All that the banker can do is to exchange his credit for that which is already in existence.

#### Banks Exchange Credit

THIS exchange, however, is not a new addition to the supply of credit, but merely a commercialization of credit already in existence. Improvements in the mechanism of banking can increase the supply of credit only by tapping sources of credit which might otherwise have been latent. This is illustrated by the legislation of recent years with respect to agricultural credit.

The idea underlying legislation designed to create special facilities for agriculture was to make it easier for the farmer to exchange his credit for bank credit. Obviously, where a sound basis for credit did not exist no mere mechanism could create it. The credit to the farmer, with the new facilities available to him, has become more fluid or liquid in that it now becomes more easily exchangeable into certain other kinds of credit.

Growing out of the idea that the banks control credit has developed the fallacy that the banks control the supply of money, interest rates and prices. The obvious answer to this illusion is that banks do not deal essentially in money but in credit. They cannot make money either cheap or dear, for they have no control over the demand for money any more than they have control over the demand for credit.

When the banks refuse a loan it often appears to the individual that they have shut off his access to the supply of money. When the bank makes such a refusal it is because of one or two reasons—either the individual or corporation applying for the loan does not possess a sound basis for receiving commercial bank credit, or the bank has reached the limit beyond which it cannot exchange its credit for that of the individual.

The limitations for bank loans are determined by statute based upon long years of experience. These limits are fixed by certain specific reserve requirements designed for the purpose of maintaining at all times the sound liquidity of outstanding bank credit. The mere fact that in actual practice bank credit is equivalent to money from the standpoint of the individual does not make it money in actual fact. The borrower from the bank, if he reasons the matter out, will see that the interest which he pays the banker for an extension of credit is not for



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Imports, \$350,000,000.

Exports, \$400,000,000.

Mining Industry alone buys, \$80,000,000 annually.

### Sub-tropical Climate

**SOUTH AFRICA** offers splendid new opportunities in markets for mineral, agricultural, pastoral and manufactured products; also to the industrialist seeking investment in prosperous expanding country under protective tariffs.

Modern Hotels, excellent comfort and catering on the railways.

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BUREAU**

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the use of the money but for the use of capital, in its material form, as goods.

While he has on the bank's books a deposit of so many dollars, what he actually does is to exchange his check on the bank for goods and services. The banker does not and cannot very directly affect or control either the supply or demand for capital. Consequently, the interest rate charged by the banker actually results from the varying demands and supply for goods and services which are beyond his control.

The public continually imputes to the banker the power and control over credit, money, interest, and prices, which he does not have, largely because he thinks of the banker as a dealer in money, and money to most people means wealth.

As a matter of fact the wealth of a nation, and the basis for its credit and money, lie in the natural resources of the country, the character of the people, their skill, their industrial development and business organization. Money is only a highly specialized kind of capital goods and a form of credit.

If the public could think of money and credit as designed for a particular purpose, they would be free themselves of much confusion which results from identifying them with wealth. If they could think of a bank simply as a business institution like any other industrial organization and governed, therefore, by the fundamental and simple principles of economics or industry, they would not fall into so many errors about the control which the bank is supposed to have.

Just as the manufacturer cannot, in the absence of a monopoly, fix the price for his product, so, too, a banker cannot fix the price for credit, the commodity in which he deals, since he neither creates it nor controls it. Nor need there ever be any fear about a monopoly of credit. Monopoly in banking is something which the public need never fear, since the banker must at all times exchange his credit for that of the individual in order to make a financial success of his business.

## Resale Price Decisions

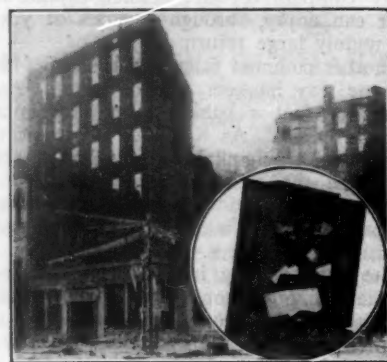
**RESALE PRICES** are again coming before the Supreme Court. Three recent cases in the lower federal courts are alike in raising questions about steps a manufacturer may take in exercising his right to cease selling to dealers that do not respect his wishes as to the prices they should charge when they sell goods of his manufacture.

Two of these cases involve points which the Supreme Court has indicated it believes should have its consideration. The third case is too recent to have come before the Supreme Court even for preliminary review.

The first of the three decisions of the lower courts was handed down last October by the federal circuit court of appeals at New York. That court held that the Federal Trade Commission had erred in holding there was illegality in the sales policy of a tobacco manufacturer that, without any agreement, consistently refused to sell to any dealer if the dealer departed from selling prices which the dealers' association for his region had decided was reasonable.

The lower court's decision in the second case was rendered in January. In this instance, the court was the federal circuit court of appeals at San Francisco. The decision was that the Federal Trade Commission was correct in holding there was unlawfulness on the part of a coffee roaster that not only made known its wishes as to

## OFFICE BUILDING GUTTED



Lansing, Michigan.—Only the skeleton of the Prudden Building here remained after it was swept by fire in December, 1920.

A Meilink Built Safe sustained the crash of four floors falling on it and was located right in the heart of a fire in the debris. It delivered its contents undamaged.

Your business needs a safe that gives this kind of protection. Your records are not covered by insurance. These records are needed to collect insurance.

Meilink Built Safes have an unequalled record of protection. While light in weight, they have great structural strength. They are different in their construction. Not only do they resist terrific heat, but they withstand long drops, great strain and the impact of falling buildings. Over 50,000 in use.

Underwriters' approval (A and B label) Lower rate burglary insurance (20%). Write for free book—"A Record of Better Protection."

**THE MEILINK STEEL SAFE CO.**  
Dept. "B" TOLEDO, OHIO

**Better Protection**  
**MEILINK**  
**BUILT SAFES**

## Out June 5th

¶ The **EXTRA EDITION** of **NATION'S BUSINESS** will be ready June 5th.

¶ It will contain the official transcript of all the addresses of business and government leaders at the Fourteenth Annual Meeting of the Chamber of Commerce of the United States at Washington, May 10 to 13, inclusive.

¶ Regular subscribers to **NATION'S BUSINESS** will receive the Extra Edition free.

¶ Additional copies may be ordered from us in any amount at cost—10 cents per copy.

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**NATION'S BUSINESS**  
**Washington**



prices retailers should charge for its coffee but encouraged retailers to report to it disregard of these prices by other retailers and sent around its salesmen to price-cutting retailers and endeavored to get them to give assurances that they would in the future observe the resale price.

If the coffee roaster had done no more than to state the minimum resale price it wished observed on its coffee, and refused to sell to dealers that did not maintain this price, the court said there would clearly have been nothing illegal. The unlawfulness came, the court at San Francisco thought, in the circumstance that the coffee roaster did not control its retail price on its coffee "through individual effort alone but by combination and through cooperation with its salesmen and customers."

The third case came before still another federal circuit court of appeals, for a manufacturer of Ohio was involved. This manufacturer made tools which are used for cutting threads on pipe. The manufacturer made known prices it wished observed by dealers, when they sold these tools, and it also required assurances that dealers would be governed by the suggestions of the manufacturer as to resale prices. The manufacturer also sought the cooperation of dealers in making reports on price-cutting.

#### Refers to Supreme Court

THE federal court which passed upon this third case looked at the decisions of the other two federal circuit courts of appeal and concluded they were fundamentally in conflict with each other. It reached its conclusion after expressing the opinion that in the earlier decisions of the Supreme Court the feature bringing illegality into a situation, otherwise lawful, was "a concert of action among several to constrain any."

Applying this test, the court thought there was perhaps enough in the requirement of assurances from dealers to warrant a belief there was such a concert in this particular case. To this extent the court upheld the Trade Commission. In other words, the court decided that a manufacturer could not require dealers to give assurances that they would be governed by suggested resale prices in the disposal of goods previously purchased, such assurances being required before further goods were sold by them; could not require dealers placing orders to give assurances that they would observe the resale prices on the goods so ordered, before accepting the order; and could not require assurances generally from dealers that they would observe suggested resale prices, under threat of discontinuance of relations.

Even this result, however, the court reached with much hesitation. Moreover, it disagreed entirely with the Commission as to the propriety of the manufacturer manifesting to dealers an intention to act upon all reports they received as to variations from resale prices by eliminating the price-cutter, informing dealers that price-cutters who were reported and who would not give assurance of adherence to resale prices would be refused further sales, and employing its own salesmen to investigate charges of price-cutting and advising dealers to that effect.

The court thought that these things represented "the irreducible minimum of means by which one who adopts a policy of not selling his goods to price-cutters may endeavor to maintain that policy and the inevitable degree of 'cooperation' naturally and selfishly coming from dealers who upheld the system." Consequently, it refused to enjoin the manufacturer in these respects.



## CORRUGATED sheet zinc

-zinc through and through-

"Zinc through and through" written into specifications for corrugated metal roofing, siding and fences means that long life and low cost will be built into the job.

Zinc cannot rust. It needs no protective coating. It eliminates repair and up-keep costs. Zinc gives long service at low cost per year wherever it is employed. Zinc is the outstanding long-life, low-cost material for sheet metal construction.

Before you decide on the material to use in your next corrugated metal construction get the facts on Zinc. We shall be glad to send you full information.

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Send me information on the use of Corrugated Sheet Zinc for roofing and siding for:

TYPE OF BUILDING \_\_\_\_\_ FIRM \_\_\_\_\_

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"These startling results . . . have been made possible by up-to-date equipment and by GREATLY INCREASED EFFICIENCY OF OPERATION."

—Colonel Willey, President, and Mr. Locock, Assistant Director, of the Federation of British Industries. From SYSTEM for March, 1926.



## Pace-making OAKITE cleaning methods

promote still higher  
industrial efficiency

**COLONEL WILLEY** and Mr. Locock are correct. With characteristic British perspicacity, they have investigated our manufacturing concerns and observed the industrial supremacy which up-to-date equipment and efficient plant operation assure.

But the efficiency of today will not satisfy tomorrow. Keener competition is ever driving industry to seek still better methods. Old-time wasteful and costly cleaning practices can no longer be tolerated.

Today, over 18,000 concerns in more than 300 different lines of industry are using Oakite cleaning methods and materials because they are pace-making—because they have found that with them they clean better in less time and at lower cost, thereby preventing waste, increasing efficiency and building profits.

We are ready to prescribe better cleaning for your plant, and to stand squarely back of our recommendations.

These booklets give you the facts:

- No. 879. Cleaning Waste and Wiping Cloths.
- 881. Modern Metal Cleaning.
- 995. The Removal of Quenching and Tempering Oils.
- 997. Wet Finishing Textiles.
- 1042. Modern Cutting and Grinding.
- 1053. Service Stations, Garages, Paint Shops.
- 1130. Oakite in Institutions.
- 1182. Cleaning in Dairy Industry.
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- 1222. Cleaning in Railroad and Car Shops.
- 1251. Cleaning in Hotels.



Oakite Service Men, cleaning specialists, are located at:

Albany, Allentown, Pa., \*Atlanta, Ga., Baltimore, \*Boston, Bridgeport, \*Brooklyn, Buffalo, Camden, Charlotte, N. C., \*Chicago, \*Cincinnati, \*Cleveland, \*Columbus, Ohio, \*Dallas, \*Dayton, \*Denver, \*Des Moines, \*Detroit, Erie, Flint, Mich., \*Grand Rapids, Harrisburg, Hartford, \*Indianapolis, \*Kansas City, \*Los Angeles, Louisville, Ky., \*Milwaukee, \*Minneapolis, \*Montreal, Newark, New Haven, \*New York, \*Oakland, Cal., Peoria, Philadelphia, \*Pittsburgh, Portland, Me., \*Portland, Ore., Providence, Reading, \*Rochester, Rockford, Rock Island, \*San Francisco, \*Seattle, \*St. Louis, Syracuse, \*Toledo, \*Toronto, Utica, \*Vancouver, B. C., \*Wilmington, Pa., Worcester.

\*Stocks of Oakite Materials are carried in these cities.

**OAKITE**  
Industrial Cleaning Materials and Methods  
OAKITE IS MANUFACTURED BY OAKLEY CHEMICAL CO.  
244 FRAMES ST. NEW YORK NY

# Digest of the Business Press

By WM. BOYD CRAIG

WHILE the *Daily Metal Reporter* is speaking of the favorable turn which the settlement of the anthracite coal strike gave to general business conditions, an interesting contrasting note is sounded by *Shipping World*, of London. The English comment, which serves as a reminder that there is no such thing as sectional interest in industry, follows:

"Now that the Coal Commission's report has been issued and the country is in a welter of opinion over its recommendations, it is of interest to note the terms of settlement of the anthracite strike in America. The existence of that six months' strike has to some extent contributed to an increase of output of the mines in this country and its cessation will undoubtedly affect the demand for coal on which output depends.

"A good many cargoes of coal have been shipped to the United States during the past few months and freight rates in that trade have experienced a very sharp rise. British mining and shipping alike will now require to accommodate themselves to altered conditions; and in forming judgments and coming to decisions as to action on the Coal Commission's report it is essential that the recent heavy demand for



coal from America be regarded as abnormal. 'The terms of the anthracite strike agreement,' says the *Survey of the Guaranty Trust Company of New York*, 'represent concessions by both sides. Work is to be resumed at once under the terms of the contract which expired last August. The new contract is to remain in force for five years, but once each year during that period either party may propose modifications in wage scales.

"If the usual method of negotiation fails, a board of two members is to be appointed with full power to make awards, the acceptance of which is obligatory upon both parties. One member of this board is to be chosen by the miners from a list of three names submitted by the operators, while the other is to be selected by the operators from a similar list drawn up by the miners.

"Except by mutual agreement, the members of this board shall not be persons connected with the coal-mining industry. The board shall be 'obligated' to arrive at a decision within ninety days of its appointment, and to that end may enlarge itself to an odd number, in which event a majority vote shall be binding. In its main features,' the *Survey* states, 'the plan represents as constructive a solution of the problem as could have been expected. It permits a resumption of operations without an advance in the costs of mining and without the objectionable expedient of public intervention or control.

"It provides, moreover, a method of arbitration ingeniously devised to secure impartiality and to make further suspensions within the five-year period, if not impossible, at least highly improbable.' While the situation in the mining industry in America is not quite analogous to that in this country, there are certain problems common to both.

"The adoption of a system of arbitration to settle disputes certainly affords the most reasonable method of adjusting grievances and of dealing with changes in the economic situation.

This will be one of the problems to be considered in the reorganization of the mining industry of this country, and whether the American form of solution is applicable or not, it deserves to be kept in view as a possible model."

## Ticker Not a Trade Barometer, Is View of Business Experts

THE RECENT slump in Wall Street brought out various comments as to its effect on "business," considered as separate from the world of investment. Different leaders of industry have expressed themselves as believing that the flurry will not have a future adverse effect on production, distribution or consumption. It has been largely considered as a detached phenomenon, peculiar to Wall Street. In point of space for the past month, the discussion of the probable effects of the slide has held first place in editorial columns.

*American Metal Market* cites the *Survey of the Guaranty Trust Company of New York* as authority for the statement that

"There is no doubt that the sharp break in stock prices last week was partly due to the large volume of loans called by bankers. The advent of open weather, with increased demand for funds by interior banks for financing seasonal trade and industrial activity, is a factor that is necessarily temporary. The subsequent return of these funds to Wall Street may have a material bearing on the course of the market later in the season."

A discussion of just how a particular industry stands in the light of the decline is to be found in *Drug and Chemical Markets*:

"For the past three months, industrial leaders have been sounding warnings against inflation. In so far as our chemical industries are concerned, these warnings were quite superfluous. Like practically every industry which is producing industrial raw materials, our chemical manufacturers are beset less by the problems of over-inflation than they are by the difficulties of contracting a production expanded during the war period to a point far beyond our normal needs.

"Such an adjustment is extremely difficult because of characteristics largely peculiar to our chemical manufacturing processes. In the first place, the consumption of chemicals cannot be materially increased by the manufacturer who is unable to expand his market except indirectly as the consuming industries themselves extend their activities.

"Secondly, in many chemical processes it is actually more expensive to curtail production or shut down a plant than it is to keep on manufacturing while selling at an actual loss per unit of material disposed of.

"Thirdly, there are wide differences of manufacturing costs within the industry which enable certain manufacturers of some products to set a ruinous price pace for some of their competitors.

"Fourthly, most chemicals are produced in plants where many products are made and no profit in some items may be offset by other sales which keep the plant going.

"The direct action of supply and demand, which, if it were acting more directly in our chemical industry, would have curtailed production by shutting down a considerable portion of our manufacturing capacity, is in these ways so deflected that the readjustment is longer and more painful.

"Against the signs and omens of Wall Street and Florida may be set the plain fact that from the shelf of the retailer to the warehouse of the fabricating manufacturer, there exist throughout the country small stocks of goods.

"Employment, carloadings, bank clearings,





## This is Real Printing

The Shakespeare Company of Kalamazoo, Michigan, is demonstrating it in terms of quantity, quality, variety and economy.

This company, manufacturers and importers of fine fishing tackle, wrote us recently to the following effect:

"We are sending you by parcel post a folder containing samples of Multigraph printing and a picture of our Multigraph Department. We say printing because our equipment is used principally for printing, although we run many thousands of letters during the year.

"We thought we were getting along fine before we added the Davidson Automatic Feed to our equipment, but as our Department Head put it, 'When we added the Davidson Automatic Feed, we had a regular printing press.'"

"Practically all of our office forms are now printed by our Multigraph Department, but our greatest convenience and saving are in printing labels for merchandise and imprinting mailing pieces to be used by our dealers. Our saving on one lot of 69,000 labels printed recently amounted to \$63.00 over what we paid for a like run from the printers, and we did a better job besides.

"During the year 1925 we ran approximately 2,000,000 pieces of printing, and practically every job showed a substantial saving.

"We are printing at the present time 250,000 catalogues for the use of our dealers. The catalogues will be followed by four two-page letters of like amount, all imprinted with the dealer's name in broad-face type."

# the printing **MULTIGRAPH**

WE are showing at the right about half of the interesting features sent us by Mr. Walker. Some of the most interesting are not shown for lack of space, and, also, because being color work it is not possible to give a good reproduction in this advertisement.

All these samples present clear proof of the large savings possible on printed matter—with no sacrifice of quality—for every concern has work like some of that done by the Shakespeare Company.

Mail the coupon for the book, "Do Your Own Printing," which covers the whole subject of Multigraph printing in great detail.

THE AMERICAN MULTIGRAPH SALES CO.  
1806 East 40th Street Cleveland, Ohio



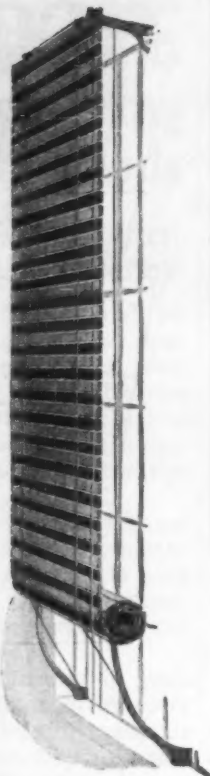
Mail this coupon and learn new ways to save money.  
Mail with your letterhead to  
**THE AMERICAN MULTIGRAPH SALES COMPANY**  
1806 E. 40th St., Cleveland, O.  
(Place check mark in square)  
1. ☐ Send me the book, "Do Your Own Printing."  
2. ☐ Notify your nearest office to arrange for demonstration of your Printing Multigraph on my work.

# RA-TOX

## OFFSET WOOD FABRIC SHADES For STEEL SASH

**Sun Heat  
and Glare  
NO!**

**Cool Air  
and Light  
YES!**



## ANSWER NOW

Executives in charge of steel sash equipped factories decide in favor of RA-TOX when the production-gaining facts are put before them. Hundreds of factories equipped with RA-TOX testify to this.

RA-TOX is a permanent installation that will last 20 or more years. Made of selected basswood strips, woven parallel with hard twist seine twine. Attractive fast colors add smart, businesslike appearance. By filtering out the glare and heat RA-TOX Shades decrease the room temperature 10 to 20 degrees, giving at the same time 30% to 40% more light and air than any center swing ventilator problem but are used successfully on all types and kinds of windows.

Over-bright days are with us the year around. Now is a good time to get the facts and estimates of RA-TOX Shades. The coupon or a letter will bring details quickly without cost or obligation.

## HOUGH SHADE CORPORATION

Industrial Shade Division

166 W. Randolph Street • Chicago, Illinois

HOUGH SHADE CORPORATION  
166 W. Randolph St., Chicago

Send complete RA-TOX details at once.

Name.....  
Address.....City.....  
State.....Individual.....

the annual statements of our manufacturing and merchandising corporations—all indicate that business is being carried on without speculation and that the business foundation is certainly more sound than it has been at any time since 1918."

In a survey of opinions, *Paint, Oil and Chemical Review* sees no cause for alarm.

"Now that trading on the New York Stock Exchange is back to normal it is apparent that general business rode out the recent flurry without disturbance," says the *Review*.

"Neither the Bradstreet agency nor R. G. Dun & Company, generally accepted authorities on trade conditions, see anything in the business situation to have brought about the slump in stocks. On the other hand Dun's review says:

"In trade circles the fact was stressed that the fundamental situation remains sound, with employment of workers and the public buying power holding at high levels, and that reports of burdensome supplies of goods are still the conspicuous exception. As spring draws nearer, interest in needs for the new season tends to broaden and there is a quickening of demand



in some channels, though with no departure from conservative action."

"Relative to the careful buying practices of the trade the report continues:

"Purchasing only for well defined requirements is a policy that is being strictly adhered to in nearly all instances, but the frequent repeating of moderate sized orders makes up a very large aggregate of transactions. This is shown clearly by the various statistical barometers and also by dispatches from the principal commercial centers.

"It is conceded that more irregularity in conditions appeared in February, yet that is a familiar phase during that month and March has opened with a favorable trend in at least one of the great basic industries.

"The continued activity in building construction, the increasing operations at most automobile works and the prospect of larger demands for railroad equipment are encouraging portents, not only for the steel trade but for business generally."

After noting the fact that steel and the automotive industries are the two lines in which a real depression would first be felt, and finding signs of unprecedented production there and a similar state of prosperity in other industries of barometric type, *American Metal Market* concludes that there is nothing to worry over. This journal points out that

"The stock market is not an infallible barometer, a fact which business men should come to recognize. It is, under normal conditions, reflective of industrial trends, but is forced into a false position as a prophet frequently by the speculative frenzy that periodically seizes the amateur and professional speculators and neither class is accustomed to sound business methods or judgment.

"Realizing this, the business man should be able to judge when the stock market is functioning normally as a barometer of the trade outlook or convulsing under the fictitious influence of over-speculation."

The *Iron Age* is not worried about the immediate future, but adds a note of caution for the period beyond, thus:

"A factor about which little has been said anywhere is the unusual amount of outside speculation in the past year by business men. With profits slow and difficult in their own businesses, as competition has grown sharper,

some men have been attracted by the prospect of profits in a quick speculative turn. If only a part of what the average business man hears of the success members of his own circle have had in such ventures is true, our prosperity is not in danger from this direction. However, the whole story cannot yet be told.

"In brief, what is outstanding in surveys that are being made, to appraise the effects of the Wall Street crash, is that it is not business as such that is unsound, but that if dangers exist they are to be sought elsewhere and that their reckonings are not immediate."

## Attack on Cooperatives Seen

### In Chicago Firm's Suspension

FARM journals are united in their views on the suspension of the Chicago Producers, a cooperative, which has been barred from operation in the Chicago stockyards for a month, following an investigation by the Packer and Stockyards Administration. The opinion of the agricultural spokesmen is that the firm deserved the punishment, but a feeling exists that, because it was a cooperative, it was singled out for attack.

*Wallaces' Farmer* sees the situation thus:

"The Chicago Producers have been suspended for a month. This, it is reported, is the most drastic action ever taken against any commission firm at the livestock terminals. In general, other firms, when principals or employees have been caught in wrong-doing, have merely been ordered to 'cease and desist.' Farmers will be inclined to wonder why the extreme punishment of suspension has been reserved for a co-operative.

"Our reading of the testimony inclines us to the view that the Packer and Stockyards Administration has started to uncover some highly disreputable and long-standing practices of the yards, and that the Producers happened merely to be the first victims.

"Why were they the first victims? Mainly, we think, because the members of the livestock exchange went to great trouble to put ample evidence in the hands of the federal examiners. We suggest that the Packer and Stockyards Administration has permitted itself to be used by the enemies of cooperation, just as the Federal Trade Commission has permitted itself to be used by the enemies of cooperation in the case of the tobacco cooperatives.

"We are glad that the guilty have been discovered, that questionable practices have ceased; We even believe that a cooperative should have higher standards than an old-line concern and that dereliction from right conduct should be even more severely punished. Yet we wonder why the Packer and Stockyards Administration did not proceed with a thorough investigation of the whole yards instead of centering all its fire on the Producers.

"We wonder why the Federal Trade Commission did not punish the boycotting practices of the big tobacco buyers as well as expose the profits of officers of the tobacco cooperatives.

"We have an occasional fear that the pleasant words about cooperation that issue from Washington are words only. Actions speak louder. When a farmers' firm, officered by men who have been trying sincerely to work with the Packer and Stockyards Administration, is singled out for attack, and when other firms, who opposed stockyard control and who have fought every kind of government regulation, are slapped on the wrist or ignored, we feel that explanations of a very detailed kind are in order.

"The Producers will be off the market for a month. Patrons of this firm should remember that there is another farmers' firm still doing business at Chicago."

The *Prairie Farmer* adds:

"The directors and managers of the Producers have not shown sufficient managerial ability to prevent grafting employees from remaining in the employ of the association for a long period of time. They have demonstrated their in-





# The PLUS in Lumber

*delivered personally to  
the Industrial Lumber  
User by the 86 Weyerhaeuser  
Lumber Representatives*

**M**ANY purchasing agents for industrial concerns will remember when the Group Selling Plan of the Weyerhaeuser mills first placed at their disposal the combined output of 17 complete manufacturing units through one direct, personal representative.

This pioneering move in Lumber Service brought a new breadth of contact between the industrial lumber user and lumber producer. Not merely in the buying and selling of lumber but in the ever growing contribution of scientific lumber knowledge to the industrial world—resulting in many efficiencies and economies.

As this industrial service has developed here are the PLUS factors delivered today by the 86 Weyerhaeuser Representatives:

- 1 **Dependable Source of Lumber Supply**—including 12 species. Among them are Douglas Fir, Pacific Coast Hemlock, Western Red Cedar, Ponderosa Pine, Western Larch—and the finest of Genuine White Pine.
- 2 **The right wood for each purpose.** You might talk your problems over with the Weyerhaeuser Representative. Get his recommendations. What Weyerhaeuser has contributed to crate users, for instance, is industrial history.
- 3 **The species and grade you order**—not some kind of lumber that somebody else thinks is good enough for you so long as you don't know the difference.
- 4 **And at the right price.** About this price matter a good deal of confusion still exists in the minds of many buyers as to just what the proper species and grade designation really is for the lumber they are using. If it's actually No. 3 White Fir the buyer naturally penalizes himself when he calls for prices on No. 2 Spruce. The safe thing for him to do is to let the Weyerhaeuser man specify it for him in the recognized Association standard terms of the lumber manufacturer. Then all of his bidders will be bidding on the same basis.
- 5 **Lumber of standard grades** and uniform in grade time after time. The specification of lumber by obsolete, local or special grade names may get you a cheap price but not the same lumber.
- 6 **Full tally, species, grade and quantity.** About this matter of tally, you can buy lumber today on different units of measurements: board feet, surface feet and lineal feet. Therefore, it is well to specify the unit of measurement you are buying—and then to know that it is actually delivered.
- 7 **Lumber scientifically logged,** manufactured, processed and seasoned.
- 8 **Resources of 17 saw mill plants,** served by modern logging camps in as fine stands of timber as grow anywhere.
- 9 **Shipment within 24 hours,** if necessary, from three fully equipped Distributing Plants at Baltimore, Portsmouth and Minnesota Transfer.
- 10 **The personal interest of Weyerhaeuser Men** in each of the customers they serve—an asset that the man who forever shops around for a "cheaper price" never dreams of.

Why not let the Weyerhaeuser man tell you personally what he can do for you?

## WEYERHAEUSER FOREST PRODUCTS SAINT PAUL • MINNESOTA



Producers for industry of pattern and flash lumber, factory grades for remanufacturing, lumber for boxing and crating, structural timbers for industrial building. And each of these items in the species and type of wood best suited for the purpose.

Also producers of Idaho Red Cedar poles for telephone and electric transmission lines.



Weyerhaeuser Forest Products are distributed through the established trade channels by the Weyerhaeuser Sales Company, Spokane, Washington, with branch offices at 208 So. La Salle St., Chicago; 285 Madison Ave., New York; Lexington Bldg., Baltimore; and 806 Plymouth Bldg., Minneapolis; and with representatives throughout the country.

# Industries needed in Oregon



and in which new  
capital may  
find profitable  
investment!

OREGON is a new country. Its population is rapidly increasing with worth-while people. Portland, the metropolis of Oregon, is a large and important industrial city, besides being one of the great world ports, and the financial center of the Pacific Northwest.

In such a new country there are always openings for new industries large and small, and of course there are more openings for smaller industries than for the larger ones. There are openings in the following industries in the state and city:

Furniture and all wood working and wood products manufacturing enterprises.	Vegetable and fruit canneries.
Shingle mills.	Shipbuilding and machine shops.
Paper and wood pulp plants.	Creameries and cheese factories.
Woolen and textile factories.	Fire-brick and lime products.
Men's and women's garment and cut-up plants.	Glass and silician products.
By-products from our apple and fruit orchards.	Tanneries.
	Flour, feed and cereal mills in country districts.

The above are a few of the industries for which Oregon is especially adapted and for which in many districts there is an absolute need. Too much emphasis cannot be placed upon the necessity of more capital being invested in our fruit and vegetable canneries.

This is an age of expansion in just those products which Oregon raises best: high grade fruits and vegetables. Oregon fruits have no superior in quality on the American continent, and the canneries that have doubled and trebled their business during the past few years have done so on the basis of the quality of their goods only. Even some of our larger canneries could use more capital in their enterprises.

Those who are interested in any of the above industries and would like further information on the prospects of successfully establishing them, or investing in them, write at once to

Publicity Bureau No. 7

Portland Chamber of Commerce  
Portland, Oregon

Spend your 1926 vacation on the Pacific Coast

**CLIP and MAIL**

Publicity Bureau No. 7,  
Portland Chamber of Commerce,  
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ability to manage an organization of these men.

"The important issue is not to save the jobs of these men. It is to save an important co-operative and rededicate it to the service of its members.

"Secretary Jardine has acted fairly with the Producers. He could not fail to penalize the association when guilt was proved. The Producers should clean house and go ahead under new management to greater service. Then they should use their influence to see that any other crookedness existing at the yards is unearthed and punished."

The Washington Farmer takes an optimistic



view of coops generally, and expresses its faith in the future of concerted enterprise, thus:

"One item after another shows that farmers are learning the ways of good business.

"At the annual stockholders' meeting of the Grange Warehouse Company of Winlock, Lewis County, a cooperative institution, the officers reported an unusually prosperous year during 1925.

"In round numbers the gross sales for the year amounted to \$102,000, an increase over the previous year's sales of \$34,000.

"Besides paying good interest to stockholders, dividends amounting to 4 per cent for the purchases of stockholders will be returned to them, while 2 per cent of the purchases of nonstockholders will be returned in dividends."

## Hope for Farmer's Relief

### Lies in Growth of Business

NOW THAT the Iowa farm agitation is passing through at least a temporary lull, and chances of farm-relief legislation being enacted by the present Congress look small, discussion of the farmer and his troubles seldom crops up in the business press. An interesting and seldom considered angle on farm production is, however, printed in *Drug and Chemical Markets*:

"Business men in industrial and mercantile lines experience difficulty at times in rousing up a very lively sympathy for the economic plight of the farmer.

"Congress does not fall over itself to devise helps for business.

"The Department of Commerce scrabbles along on a fraction of the appropriation granted to the Department of Agriculture. It does not always seem fair, and yet we all recognize that the prosperity of the American farmer is a deep problem of universal concern.

### Two Varieties of Farmer Aid

FARMERS' aid has, up to the present, been directed in two distinct channels: first, in increasing his production by suggesting better agricultural methods, by the use of improved fertilizers and insecticides, and along similar lines; second, in improving his distribution, mainly by abetting him in cooperative movements for the more direct sale of his goods.

"We need not debate the comparative merits of these methods; but we are in a position to suggest a third, new line of assisting activity which has been curiously neglected in the past. Why not devote some real portion of the public appropriations and some serious thought on the part of agricultural experts to increasing the consumption of agricultural products?

"We are not advocating another Prune Day, or suggesting an 'Eat more turnips' campaign, nor proposing a sumptuary law forbidding the highways to motor cars so as to put the horse

back on our streets to provide a market for oats and hay.

"But we naturally remember that the chemical industry has made the humble cotton seed (once a waste product) worth on the average some \$200,000,000 a year; that butyl alcohol (essential in the manufacture of lacquers) is manufactured by fermentation of our corn; that the demand for ethyl alcohol is all that keeps molasses from being an almost total loss to the sugar industry.

### A Need for Better Supplies

WE ARE not allowed long to forget there is need for better and cheaper supplies of cellulose material for making paper, rayon, artificial leather and plastics. Today the forests and the cotton fields supply our cellulose, but research will make use of other crops for this supply. It takes no prophet to foretell that new synthetic processes will require vast quantities of new raw materials.

"It is logical that agricultural research should join hands with chemical research in supplying these raw materials, in opening up new channels of consumption for farm products, in providing new markets for the increased production of our farmers."

## English Railroads Suffer

### Political Cramps, as in U. S.

IN ITS editorial comment, *The Iron Age* recently discussed the high cost of politics which results when government becomes concerned over the conduct of business or industry. To quote:

"Up to June 30, 1925, the steam railroads of the United States had spent about 84 million dollars for valuation work and the Interstate Commerce Commission about 27 millions, a total of about 111 millions, and the work is still going on. When it is done the courts will have to wrestle with it, and there is no estimating what 'tis all going to cost.

"The motivation of it all? Simply that the late Senator LaFollette wanted to prove that the railroads of the country were worth only about 12 billion dollars, so that their rates and incomes might be legislatively reduced. A technological freshman might have inquired if so many miles of rails at so much per mile and so many locomotives and cars at so much per unit



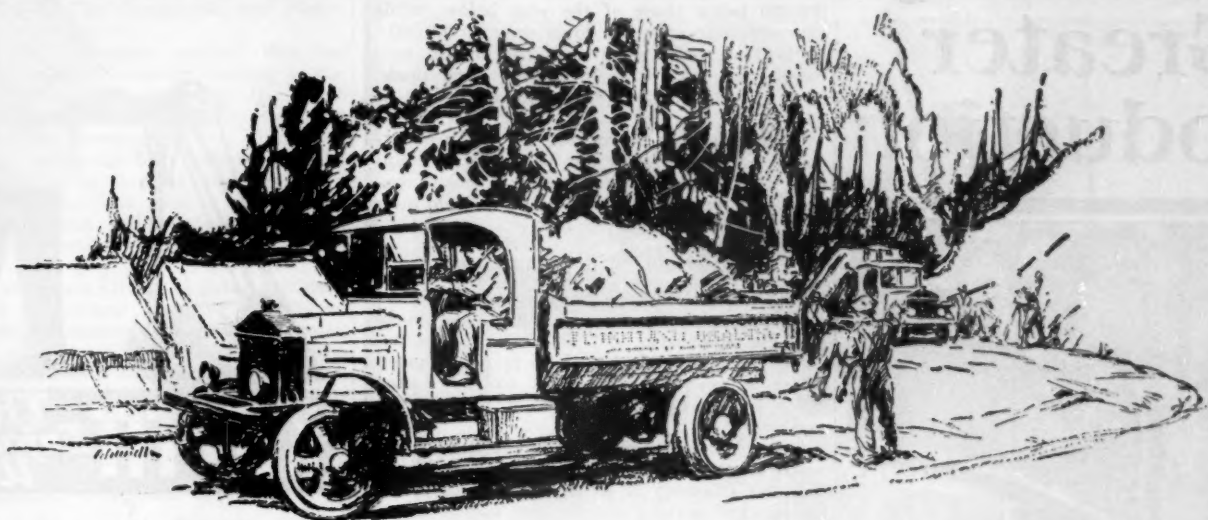
would not have given a different and reasonable idea. To be sure. But to demagogic minds such thoughts do not occur.

"Yet, perhaps, what the nation is paying for this vagary of LaFollette is as nothing in comparison with that of the seamen's bill that he fathered. For such things are we taxed."

*The Bache Review* is also interested in rail regulation in this country and in Great Britain. There may be some negative consolation for American rail men in the fact that conditions brought about by too much government interference in Great Britain are also bad for the industry there. The *Review* summarizes:

"On the subject of commissions, and in particular on the Interstate Commerce Commission, there is in Great Britain a like authority called the Rate and Fares Tribunal, which, it appears, has a somewhat similar depressing influence on railroad prosperity as has our own commission. In addition, there is there a National Wage Board which determines the wage bill of the railroads. But these two bodies bear, in practice, no relation to each other. During





## Excavating jobs are called "truck killers"

To learn the real merits of a motor truck put it on excavating work—particularly where new roads are being laid out. Nowhere will worse operating conditions be found. Nowhere will a truck be put to a more conclusive test.

To understand this is to understand why Pierce-Arrow trucks are the popular choice of excavating contractors.

For instance, 13 Pierce-Arrows operated by Connor Bros. of Brooklyn, removed 55,000 yards in 30 working days. On another excavating job these trucks hauled 40,000 yards over dirt roads and each truck averaged 80 loads per day. On another big job where the trucks had to go down 35 feet below grade on sand it was never once necessary to use a tow. The fleet was recently increased to 23 Pierce-Arrows.

A few of the many excavating contractors who use Pierce-Arrow trucks are:

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CHARLES J. HESSER, Philadelphia, Pa.  
P. F. BRITT, Philadelphia, Pa.  
JOSE NAPLES Inc., Newark, N. J.  
JOSEPH O'BRIEN, Newark, N. J.  
THOMAS BROWN CONTRACTING CO., Buffalo, N. Y.  
M. L. RUPP, Buffalo, N. Y.  
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HARVEY BROTHERS, Los Angeles, Cal.  
JOHN F. CASEY CO., Pittsburgh, Pa.  
INDEPENDENT TRUCKING CO., Cambridge, Mass.

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1925, for instance, the Rates Tribunal reduced rates \$15,000,000, but the Wage Board refused to reduce wages an iota. The result was that gross earnings of all railroads dropped \$20,000,000 below those of the year before, while expenses were crowded down only \$9,000,000.

"1925 was the worst year the British railroads have ever gone through. They made, however, a small net profit—the equivalent of \$32,000,000.

"How small can be realized when it is understood that the original cost of the British railroad system was \$6,000,000,000. Earnings consequently for 1925 figure out only a little more than one-half of one per cent.

## Dividends Still Maintained

**D**IVIDENDS have been reduced but are still maintained. They have had to be paid out of reserves, and \$60,000,000 in the last three years have been used up in this manner. These figures have been sent to the Boston News Bureau by Mr. Herbert N. Casson. He says:

"In general, the efficiency of the British railroads is very high. There are few accidents. But this efficiency is secured at a high cost—by personal service, not by the use of labor-saving machinery.

"Britain still holds fast to her 10-ton freight cars. Her average train-load is still only 130 tons—less than one-fifth of the average in the United States.

"Freight rates in Britain are about twice as high as American rates, but passenger fares are very low. They average less than two cents per mile, because of the cheap tickets for workmen.

"British railroads carry nearly 2,000,000,000 passengers a year, sometimes without the loss of a life. The number of first-class passengers is increasing, but there are fewer third-class passengers than there were in 1924.

"As to whether amalgamation has been a success, there is still a difference of opinion. The average railroad shareholder is in favor of it as being vastly better than nationalization."

"But railroad men there see many difficulties yet to be overcome in operating amalgamated units. Our own deliberate attempts at consolidation were matched in Great Britain by one great swing into amalgamation. One hundred and thirty separate railroad companies were condensed into four. Mr. Casson sees still little competition, but in general the four railroad systems do not overlap each other. They are advertising less and having fewer excursions. The roads are being kept in good order and the rolling stock is being improved; but there is no longer any spirit of emulation or salesmanship.

"Under the Socialistic policy which has gripped England—doles for non-workers, everything being sacrificed for labor—there may be more excuse for martyring the railroads by stiff wages and reduced rates; more excuse than here, where much the same policy is, in effect, being pursued—politics, not business sense, controlling the government regulation of transportation."

## European Trade League Urged To Break Down Tariff Walls

**T**HE setting up of a trade league among the countries of Europe with a view to eliminating tariff walls and other barriers which stand in the way of free trade intercourse was suggested by Dr. Walter Leaf, president of the International Chamber of Commerce, in a recent address before the Council of the Chamber held in Paris. A summary of Dr. Leaf's talk was cabled to the American Section of the International Chamber at Washington. Dr. Leaf, London banker and economist, declared that "a European trade league would afford open markets at least on the same scale as exists in the United States," adding that "national jealousies force us here in Europe to employ in suicidal trade struggles efforts which



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—Athletic and Physical Director, Chicago Athletic Club

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should be concentrated upon the general advance of human well-being."

The complete dispatch made public by the American Section of the International Chamber, according to *The Commercial and Financial Chronicle*, reads:

"The notable economic progress that has been made since the November meeting of the Council justifies a fresh review of the whole situation. Belgium has effectively stabilized the franc at the devaluated rate. Italy has succeeded in balancing her budget with the avowed intention of keeping the lira at a figure not less than the present value. This leaves France alone unsuccessful among the group of nations which are aiming at stabilization.

"I cannot refrain from expressing the deep concern felt everywhere regarding the discussions of French finances which are now going on. There is a general feeling that unless the question is faced with courage and patriotism, the results may be such as to bring disaster unconfined to France. It is obvious that longer delay will only react unfortunately upon the national credit of France.

### Financial Progress Abroad

"AMONG the group of nations struggling to rehabilitate their currency, great progress has been made. The Danish krone has risen more rapidly than the Government expected or desired, and now stands close to its gold value. The Czech crown is now legislatively stabilized under the control of the Central Bank. It is believed that the fall of the Polish zloty has been checked.

"Thus, with one exception mentioned, all chief European countries have stabilized their currencies. Moreover, with one exception again, all have entered into agreements regarding their international debts.

"The industrial position of the leading European countries, unfortunately, shows an unequal advance. Reports from Germany speak only of the unfavorable symptoms of a severe trade crisis, with rapid increase in unemployment and in commercial failures, and with impossibility of marketing products.

"On the other hand, reports from Hungary are full of hope. Hungary has had an excellent harvest and a large surplus of revenue available for public works after meeting the obligations of the League of Nations' reconstruction plan. Between these two extremes there is moderate depression and moderate satisfaction. We still have complaints of trade barriers, particularly in the case of Switzerland. Also, complaints are heard on the severity of competition accompanied by dumping, due to the differences in exchange.

"On the other hand, agricultural countries have benefited from excellent harvests. Examples are Italy and Hungary.

"Everywhere, with hardly an exception, there are complaints concerning the difficulty of finding markets. The capacity for production of manufactured products is generally much larger than before the war, but products are stagnating because refused or hampered by tariffs and other trade barriers.

"Hence there is unemployment, stagnation in industry and lamentable waste of potential human energy, and the whole standard of living is lowered by artificial restrictions upon human efficiency.

"A European trade league would afford open markets at least on the same scale as exists in the United States. Such a trade league would thus enable competitive production on equal terms in that vast area for intercourse upon a free trade basis. National jealousies force us here in Europe to employ in suicidal trade struggles efforts which should be concentrated upon the general advance of human well-being.

"It is for the International Chamber to educate the world in this wider outlook. To that task we are setting ourselves this year. We appeal to you all for hearty support in this great work."



## Are You Going Abroad?

WHEN you leave for Europe you need not leave American banking service behind you. For, in London, Paris, and other cities abroad, the offices of this Company afford our customers and holders of Guaranty Letters of Credit the facilities of complete American banks.

Guaranty Letters of Credit are recognized as a premier means of carrying travel funds. Such a letter is practically the equivalent of an account at a leading bank in every accessible section the world over.

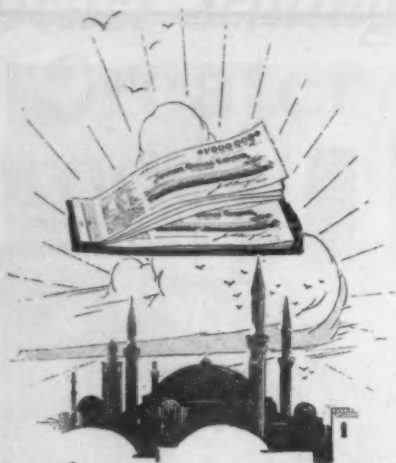
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*With only the sky as the limit of its helpful, personal service to travelers in foreign lands.*

Money is the greatest of all passports.

The American traveler is known by the color of his money.

If it is *sky-blue* and bears the name of the American Express Company across its face he is recognized instantly as one who knows how to travel; and is treated accordingly.

Thousands of Americans traveling in distant lands have been amazed at the seeming magic of the *sky-blue*.

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But there is no magic about these simple *sky-blue* slips—just a hard, cold fact, plus a human sentiment.

The fact is that these Cheques—backed by all the financial strength and world-wide reputation of the American Express Company—protect the traveler's funds against loss or theft.

The Sentiment is the Confidence the peoples of the earth have in these Cheques. They have tested them for 35 years, under all conditions, and found them Good.

With its many offices and thousands of correspondents around the World, and with its experienced personal attention to travelers—the American Express Company puts an individual and a special value into its American Express Travelers Cheques.

Your personal signature, twice, upon these Cheques, once when you purchase them, again when you spend them, insures the safety of the money you invest in them.

Issued in denominations of \$10, \$20, \$50 and \$100, American Express Travelers Cheques cost only 75c for \$100.

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## American Express Travelers Cheques

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# Recent Federal Trade Cases

Copies of the Commission's complaints, respondents' answers, and the Commission's orders to "cease and desist," or of dismissal may be obtained from the offices of the Federal Trade Commission, Washington, D. C., without charge by reference to the docket numbers. Transcripts of testimony may be inspected in Washington, or purchased at 25 cents a page from the official reporter, whose name is obtainable from the Commission.—Editor's Note.

**I**NVESTIGATION by the Commission of a complaint of false and misleading advertising against a Philadelphia furniture dealer resulted in an order requiring him to discontinue the practices held unfair (Docket 1152).

The Commission found that the dealer's trade name, "Factory-to-You Furniture Store," misleads the public into the erroneous belief that the dealer owns and operates a furniture factory in which the merchandise sold by him is made, thereby creating the impression, the Commission contends, that customers in the purchase of his goods are eliminating the profits of the middlemen. Another practice which the Commission condemned was the application of the terms "Walnut," "Genuine Walnut," "Combination Walnut," "Mahogany," and "Combination Mahogany" to furniture of which the exposed surfaces were in large part of woods other than walnut and mahogany. That practice, the Commission ruled, deceived a considerable part of the purchasing public, and injured dealers in furniture who truthfully and accurately designate the various woods of which the furniture sold by them is made.

**U**SE OF the words "knitting mills" in a corporate name is banned by the Commission when the corporation does not own, control or operate knitting machines, a requirement which a New York concern did not meet, the Commission says, in reporting the issuance of a prohibitory order (Docket 1321).

This concern, the Commission explains, deals in knitted garments for infants and children, which it sells to the wholesale jobbing trade and to retailers throughout several states. According to the findings, the business was advertised under numerous slogans and descriptions, all representing, the Commission says, that the concern is a manufacturer of the merchandise which it sells. The concern does not own, control, or operate a manufacturing establishment, and the hand-made garments amounting to 70 per cent of its merchandise are produced by persons known in the trade as "home knitters" and "home crocheters," the findings say. Yarns are sent to their homes where the finished garments are knitted in accordance with samples furnished, the Commission finds. The remaining 30 per cent of the concern's products are machine-made, the Commission discovering, it reports, that they are obtained from knitting mills to which the concern sends yarns, silks and other raw materials.

Garments obtained for sale in the manner outlined, the Commission declares, are not generally considered in the knit-goods trade as being manufactured by the distributor. Use of the words "knitting mills," the findings assert, misleads and deceives customers into the erroneous belief that the concern owns, controls or operates knitting mills or machines, and that it is the manufacturer of the merchandise in which it deals, and that its customers are eliminating the profits of middlemen by buying directly from it.

**A** PROHIBITORY order directed to a Philadelphia merchant trading as an "import company" requires the discontinuance of business practices declared unfair by the Commission (Docket 1236).

According to the findings, this merchant sells various kinds of merchandise to retailers throughout the United States, and in doing business uses letterheads and billheads on which is prominently displayed his trade name, and also the phrases "Importers - Manufacturers - Jobbers," and "European Office, Munich, Germany," with the picturization of an ocean steamship. The use of such trade names, phrases and marks, the Commission ruled, misleads and deceives the public into the belief that the merchant is a manufacturer and importer, whereas as a matter of fact, the Commission says, the merchandise sold by the merchant is purchased in the United States.

A specific advertisement and sale of a product labeled "Imported Bavarian Old Time Malt Extract" is cited by the Commission. The product so advertised and described, the findings say, is an extract of barley malt not imported into the United States, but manufactured by concerns in this country. It is sold, the Commission contends, in direct competition with competitors' products which are not falsely advertised with regard to their origin or manufacture.

**D**ISSENTING from the Commission's action in sending questionnaires to all open price associations in its proceedings under Senate Resolution No. 28, which authorized an investigation of open price associations, Commissioner Humphrey declared in part:

The action of the Commission in my judgment is especially to be regretted because the questionnaires sent out and the letters accompanying them contain on their face an element of deception; in this, they do not plainly state that the Commission has no legal right to require them to be answered. These letters and questionnaires should conceal nothing. They should state all the facts. They should not mislead by omission, and such omission by necessary implication carries the statement that the Commission has the legal right to compel an answer to the questions submitted.

For the Commission to send a questionnaire



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This forest region contains 26 million acres of towering trees—more than 700 billion feet of merchantable timber—three-quarters of which is Douglas Fir; the rest Sitka Spruce, Western Hemlock and Western Red Cedar.

The average yield of these forests is in excess of 30,000 feet per acre and in some cases 150,000 feet and more. One Douglas Fir tree here sometimes produces more lumber than five acres in other forest regions.

What is of more vital interest to the people of the United States is that under modern methods of lumbering, foresting and fire protection, these forests will be a permanent source of lumber supply for the entire country for all time.

Where timber has been cut and fires guarded against countless millions of young Douglas Fir trees from Nature's own seeding appear, and in their vigorous growth offer a new merchantable supply of the finest quality within a comparatively few years.

Emphasizing the importance of Douglas Fir, we quote from U. S. Forest Service Bulletin 88:

"Douglas Fir may, perhaps, be considered as the most important of American woods . . . its rapid growth in the Pacific Northwest forests, its comparatively wide distribution, and the great variety of uses to which it can be put place it first . . . As a structural timber it is not surpassed."

[An illustrated treatise on Douglas Fir, written by a forester, telling why this is the wood of tomorrow as well as today and how to use it sent on request]

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to a citizen who is under no obligation to answer the questions therein propounded, and where we have no legal way to compel him to do so, and where such answer depends entirely on his voluntary action, without plainly and specifically so stating, is not treating the citizen with the frankness and spirit of fair dealing that he has a right to expect from his government. A request by the Commission of any citizen for an answer to such a questionnaire, from whom we have no legal right to demand such answer, without fully stating that fact, is in itself a species of coercion.

The full text of this dissenting opinion was printed in the April issue of *NATION'S BUSINESS* on page 30.

**C**OMMISSIONER Thompson has filed a dissent from an order of dismissal entered last May by a majority of the Commission in Docket 927 against a manufacturer of corn syrup and glucose. The complaint had charged the company with guaranteeing its products against price declines when in the hands of dealers.

**U**P TO March 1 more than 700 concerns had signified their intention to observe the rules for describing and marking furniture adopted at the trade practice submittal held with the retail furniture trade in New York City. These rules, approved by the Commission, provide that furniture shall be designated by the names of the principal woods of the surfaces exposed when the piece is placed for use. The rules have been interpreted so that there can be no misunderstanding in their application. Approval of the rules has also been given by the National Retail Dry Goods Furniture Association and the National Retail Dry Goods Association, the Commission announces. The text of the rules was printed in the March issue of *NATION'S BUSINESS* on page 86.

**I**N APPLICATION of its policy to publish the facts of agreements for the discontinuance of unlawful practices, the Commission included ten of these so-called stipulations in the proceedings reported this month. By reason of the stipulations these cases were dismissed with no entry of complaints. Disposition of cases in this manner accords with the procedure authorized in April, 1925, when the Commission voted to dispose of all informal charges if the parties complained against would agree to discontinue the practices alleged. Excepted are cases in which the public interest required formal action. Published statements of the approved stipulation are issued as conference rulings which do not give the names of firms or places. Included in the ten stipulations are cases involving maintenance of resale prices, false and misleading labels and formulas, false and misleading corporate or trade names, and false and misleading advertising.

**D**ISMISSALS during the month included cases against a ship chandlery firm of New Orleans and one of Mobile (Dockets 798 and 833), a sugar corporation of Denver (Docket 1181), an oil works of Pittsburgh (Docket 1176), an electrical appliance manufacturer of New Britain (Docket 1213), a spark plug company of Toledo (Docket 1231), a metal products company of Cleveland (Docket 1140), a perfume-making concern of Chicago (Docket 1119), a baking powder company of New York (Docket 540), two furniture concerns of New York (Dockets 1224 and 1195), and a food and grocery concern of Seattle (Docket 1172).

Among the charges made by the Commission in the issuance of complaints in these cases were: The giving of gratuities to employees of prospective purchasers to influence the purchase of merchandise sold by the companies cited, lessening competition by the acquisition of the share capital of competitors, maintenance of fixed resale prices, disparagement of competitors' products, and use of misleading advertising.



# 7 points about LONGVIEW Washington

## The New Industrial City of the Pacific Northwest

### 1 The Beauties of Longview



MILES of boulevards bordered with grass, trees and flowers; a crystal lake which is part of a million-dollar gift to the city by one of Longview's benefactors; a civic center park of surpassing beauty; a park equipped for automobile tourists; pretty lawns everywhere; the mighty Columbia River; mountains with innumerable places of scenic grandeur in every direction.

### 2 The Climate of Longview



NO EXTREMES of temperature; near by an ocean current which warms in winter and cools in summer; sleep under blankets in July; the grass always green and flowers nearly the year around; the latitude the same as Southern France; a city of outdoor life—zestful, healthful, restful; the vicinity, a sportsman's paradise.

### 3 The Architecture of Longview

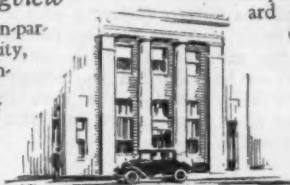


A CITY of beauty in its architecture—permanent—built in harmony and for utility; every structure new. Pride is real in Longview—every building and its setting reflects it. Visitors marvel at the public buildings—railway station, library, school, hotels and hospital.

### 4 Community Life in Longview



CLEAN, moral; its government non-partisan—an independent American city, its people loyal to their town; splendid schools, community church, Y. M. C. A., theaters, Chamber of Commerce, baseball park, golf, tennis, social clubs for men, women and children.



7

### Investments in Longview

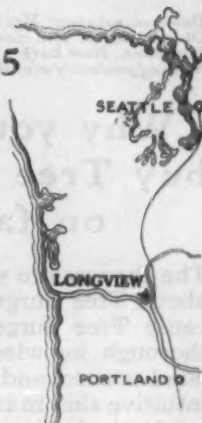
THREE years ago, the site of Longview was a valley of farms. Today, without a "boom," or the use of boom methods, Longview is a growing, thriving city of 10,818 (Polk Directory Company listing). Longview's unexcelled assets are: Strategic location in relation to limitless, untouched resources; transportation advantages; the vast territory it can serve; its climate; its expertly planned arrangement; its fine living conditions which are attracting good people. These advantages offer genuine opportunity to persons who seek a place for industry, who seek property investment, who seek an ideal place in which to live.

### The Longview Company Longview, Washington

WHEN YOU GO WEST SEE LONGVIEW—THE MOST TALKED ABOUT CITY IN AMERICA—ASK ANY RAILROAD REPRESENTATIVE ABOUT THE LOW SUMMER RATES AND STOP-OVER PRIVILEGES AT LONGVIEW

### The Location 5 of Longview

ON THE Columbia River, half-way between Portland and the Pacific Ocean—the ocean only 50 miles away; served by rail by the Northern Pacific, Union Pacific, Great Northern and Longview, Portland & Northern. Columbia River docks, 3,000 feet long, accommodate the largest ocean freighters. (On a recent day, four freighters were loading—two for Japan, one for Australia, one for New York.) Two famous paved highways bring automobile tourists to Longview—Pacific Highway and Columbia River Highway. Ocean Beach Highway, now building, will give another connection with the ocean.



### Opportunities in Longview 6

MANUFACTURING plants of The Long-Bell Lumber Company, largest in the world, are at Longview. The Weyerhaeuser Timber Company is building large lumber plants here, which, when complete, will make Longview's lumber output the largest at any single point in the world. (75 per cent of the manufacturing cost of lumber goes for labor. This means huge payrolls and large population from this industry alone.) The proximity of vast and varied timber is attracting other wood-working industries, and pulp wood the paper industries. Standard Oil Company operates here the only marine fueling station between Portland and the ocean. Soil of marvelous richness, never-failing blue grass and water are bringing the farmer and dairyman, and fisheries, fruit and vegetable growing, the canner.



THE LONGVIEW COMPANY, Longview, Washington.

Dept. 12

Gentlemen: Please send me further information about Longview, Washington, with special reference to.....

Name.....

Address.....

PLEASE PRINT NAME AND ADDRESS



Oak tree, estate of Mrs. E. H. Close, Toledo, Ohio, treated and saved by Davey Tree Surgeons. New bark along both edges is healing perfectly over Davey cement filling.

## Why you must buy Tree Surgery on faith

The chances are you know little about Tree Surgery values, because Tree Surgery requires a thorough knowledge of the related sciences and also a trained, intuitive skill in its own difficult mechanical processes.

Tree Surgery is either right or wrong—it is never half-good. Furthermore, the profession of Tree Surgery requires a definite code of ethics, a high standard of practice. There are some things that Davey Tree Surgeons are never permitted to do, because those things are not right professionally or ethically, or because more than a quarter century of experience has shown them to be wrong in practice.

The responsible officials of The Davey Tree Expert Company do know Tree Surgery values. They select, train and supervise for you the men who are to treat your priceless trees, and guarantee the ability, skill and reliability of these master Tree Surgeons.

THE DAVEY TREE EXPERT CO., INC.  
435 City Bank Building  
Kent, Ohio

Attach this coupon to your letterhead and mail today

THE DAVEY TREE  
EXPERT CO., Inc.,  
435 City Bank Bldg.,  
Kent, Ohio

Gentlemen: Without cost or obligation on my part, please have your local representative examine my trees and advise me as to their condition and needs.

Reg. U. S.  
Pat. Off.



JOHN DAVEY  
Father of  
Tree Surgery

# News of Organized Business

DATES and places of national and trade association conventions scheduled for the twelve months beginning March, 1926, and ending February, 1927, are included in a pamphlet published by the Organization Service Bureau of the National Chamber. Organizations are listed alphabetically with the addresses of their secretaries, and a list of conventions by months is also provided. This pamphlet, prepared by F. Stuart Fitzpatrick, is obtainable on application to the Organization Service Bureau, Chamber of Commerce of the United States, Washington, D. C.

## Art for Business Men's Sake

THAT an appreciation of art has developed to active expression in the business community is attested by a statement from the



American Federation of Arts in Washington, D. C. Several chambers of commerce, the statement shows, have arranged for art exhibitions, including loans from important galleries, either directly or through some other organization in their cities. Of these chambers the Federation mentions the chambers at Asheville, N. C.; Altoona, Pa.; Atlanta, Ga.; East Liverpool, Ohio; La Crosse, Wis.; Flint, Mich.; Owensboro, Ky.; Paterson, N. J.; Portland, Ore.; Reno, Nev., and Winston-Salem, N. C.

## Ads Accelerate Stockton's Drive

IN RAISING the individual membership of the chamber to 1,154, and the total income from dues and the service fund to \$80,000, the chamber at Stockton, California, used a series of newspaper advertisements. These advertisements were run one week before the beginning of the campaign in order to focus public attention on the chamber's purpose to supplement its financial resources, for no attempt was made to present "sales arguments."

Each of the fifteen directors of the chamber was chairman of a solicitation committee, and selected the members to work with him. As the directors had drafted the schedule of the chamber's activities for the next fiscal year they were directly concerned to make the campaign successful.

## Greater Miami Secretaries Organize

DISCOVERING that there were thirty full- and part-time secretaries of commercial and civic organizations in Greater Miami, the secretaries of that metropolitan district organized a group to promote acquaintance and to establish closer relations among the organizations represented. Further information on this organization is obtainable from the Secretary of the chamber at Miami, Florida.

## Church Going Interests Attleboro

THE IMPORTANCE of going to church is accentuated by a comment from the chamber at Attleboro, Massachusetts, on its campaign in that behalf—"although a delicate campaign to handle, we feel that it was very much worth while."

## Counsel on Personnel Questions

A CONSULTING and information service for all phases of personnel work has been established by the Merchants Association of New York City as a part of its industrial bu-

reau. In announcing this new service, the Association says:

The nature of the service rendered will depend upon the needs of those requesting it, and the Association is prepared to supply service ranging from securing information on specific subjects to developing an entire personnel program.

## Information on Civic Awards Asked

THE Civic Development Department of the National Chamber has received several requests from chambers of commerce for information on prizes or awards to persons who have done the most for their cities during a year. It has assembled the information available to it, but it believes that there may be awards not included in its list, and in that belief it invites further information on awards in recognition of civic service.

## Weekly Bulletin in Jersey City Papers

IMPORTANT activities of the chamber at Jersey City, New Jersey, are reported weekly in the Saturday issue of the local newspapers. This bulletin service, possible through the cooperation of the papers in providing space, enables the chamber to reach its members and the public through an established and familiar medium. Copies of the bulletins are obtainable from the secretary of the Jersey City chamber.

## A California Protective Association

THROUGH protective activities, the Merchants and Manufacturers Association of Santa Ana, California, saves its members \$50-



000 a year, an average saving for each member of \$200 a year on his investment of \$18 in dues. The Association was organized in 1905 as an auxiliary of the chamber of commerce, with its purpose to protect business men from advertising schemers. Although the Association still cooperates

with the chamber, it is now an independent organization and has broadened the scope of its protective service.

The success of the Association in checking the activities of crooks is based on the "block system" of intelligence developed several years ago by P. S. Lucas, secretary of the Association. In every block of the main business section of the city one member acts as captain. By means of an arrangement with the telephone company, the secretary's office and police headquarters are directly connected when the secretary calls up his block captains. If a call gives warning that a forger is operating in the city, each captain immediately makes the round of his block to tell merchants to be on the lookout. In this way the entire business district can be covered in fifteen minutes. In cases where it is desired to apprehend some person, the system works just as efficiently.

To facilitate this local work the Association cooperates with the vigilance committee of the National Association of Advertising Clubs, the California Retail Council, the State Bankers' Association, the United States Secret Service, and local and outside police departments, as well as other merchant associations in the state.

Sometimes the Association brings a member to book, as when, for example, some friend or customer induces him to give an advertisement to a program, bulletin, booklet or other advertising medium that happens to be under the ban of the Association. A fine is imposed, and usually the member pays without argument. The alternative would be to quit the



# The Greatest Month

More commercial firms took deliveries of Graham Brothers Trucks in March than in any month in the Company's history.

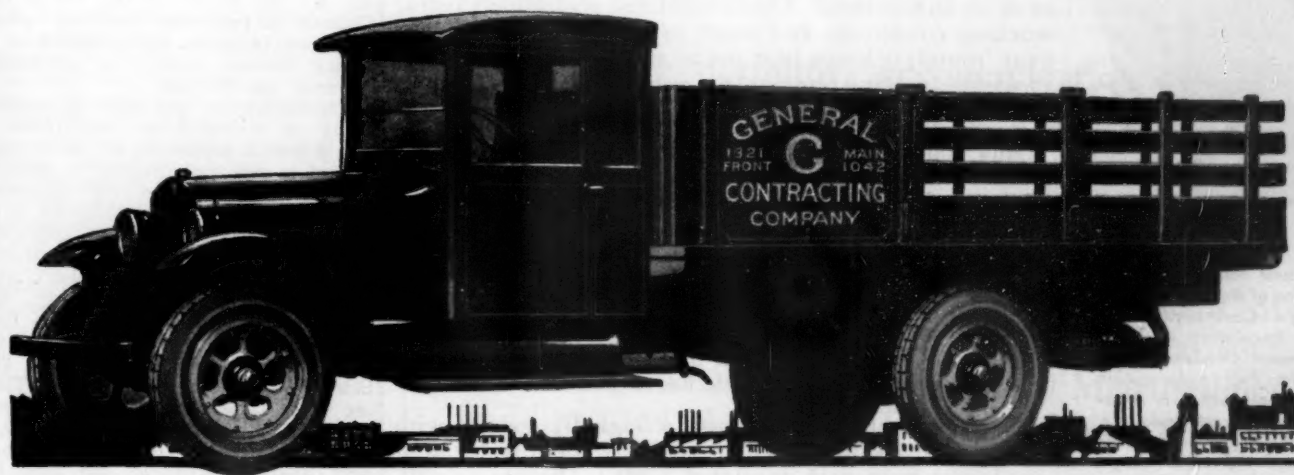
January set a record, February brought another—and March surpassed them both.

When you realize that Graham Brothers are the largest exclusive truck manufacturers in the world this statement becomes a business message of genuine importance.

Record sales under such circumstances are the best possible confirmation of superior service.

## GRAHAM BROTHERS

Evansville — DETROIT — Stockton  
A DIVISION OF DODGE BROTHERS, INC.  
GRAHAM BROTHERS (CANADA) LIMITED—TORONTO, ONTARIO

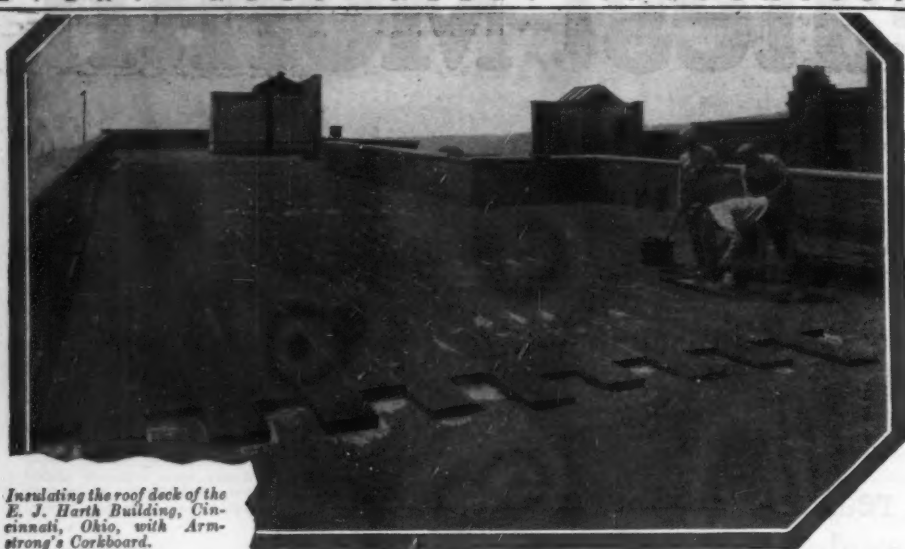


# GRAHAM BROTHERS TRUCKS

**SOLD BY DODGE BROTHERS  
DEALERS EVERYWHERE**

*When buying GRAHAM BROTHERS TRUCKS please mention Nation's Business to the dealer.*

EVERY ROOF NEEDS INSULATION



Insulating the roof deck of the E. J. Harth Building, Cincinnati, Ohio, with Armstrong's Corkboard.

## It Will be Cool this Summer under this Cork Insulated Roof

**T**HIS roof is *heat tight*: it is insulated with Armstrong's Corkboard. So little of the sun's heat can penetrate this roof that the rooms below will be much cooler and more comfortable—even on the hottest summer day—than they would be under an uninsulated roof.

Every roof needs insulation, and the most effective insulation is Armstrong's Corkboard. Any roof can be made practically "heat-proof" with a *single layer* of Armstrong's Corkboard; it is supplied in thicknesses ranging from 1 inch to 3 inches and for severe conditions, even up to 6 inches. A cork-insulated roof means better working conditions and more contented employees the year 'round; it keeps heat *out* in summer and keeps it *in* in winter, making temperature easy to regulate and minimizing the consumption of fuel.

Any roof may easily be insulated with Armstrong's Corkboard. The cork is laid in pitch or asphalt on top of the roof deck and a standard roofing is applied directly over it. Any roof, whether old or new, flat or sloping, wood, metal, concrete or tile, will accommodate it. Armstrong's Corkboard is so light that the additional weight is negligible, but nevertheless it is so structurally strong that it provides a firm base for the roofing, and it will not buckle, warp or shrink. Armstrong's Corkboard is moisture-proof and a positive fire retardant.

Our Engineering Department will gladly consult with you if you are interested in securing comfort for your employees with cork insulated roofs. There is no obligation entailed. Address



Reg. U.S.  
Pat. Off.

ARMSTRONG CORK & INSULATION COMPANY

(Division of Armstrong Cork Company)

195 Twenty-fourth Street, Pittsburgh, Pa. McGill Bldg., Montreal, Que.

Armstrong Cork Company, Ltd., Sardinia House, Kingsway,  
London, W. C. 2, England

Branches in the Principal Cities of the United States

# Armstrong's Corkboard Insulation

for the Roofs of All Kinds of Buildings

When writing to ARMSTRONG CORK & INSULATION COMPANY please mention Nation's Business

Association, and thereby lose many proved benefits of cooperation.

Advertising mediums barred by the Association are: Hotel and other registers; menu cards; calendars, except those for monthly mailing; contests of all kinds; trading stamps; pamphlets; bulletins; and books and booklets. Exceptions are only made through approval by the advertising committee in secret.

Although the rulings of the Association are more or less arbitrary in all matters, changes in policy may be easily made because of the democratic nature of the organization. The board of directors meets regularly once each month, and is frequently summoned for special session in case of emergency.

FREMONT KUTNEWSKY.

### Vote on Publicity with Public Funds

**S**ENTIMENT in Massachusetts is apparently about evenly divided on the question of the desirability of community publicity as shown



by the results of a referendum submitted by the State Chamber of Commerce to its member organizations, according to an announcement by Edward G. Stacy, general secretary of the State Chamber. The referendum presented two questions, but the voting interest was chiefly centered on the first one, "Shall

the State Chamber of Commerce favor legislation authorizing towns and cities to appropriate public funds for community advertising purposes?"

On that question 99 votes, representing nineteen organizations were "in favor," and 106 votes representing eighteen organizations were "opposed." Each organization with membership in the State Chamber is entitled to at least three votes, and may cast others up to a maximum of ten, depending on the size of its membership, a circumstance to explain the fact that nineteen organizations favoring this question were outvoted by the eighteen opposing it. By the results of the voting the State Chamber is prohibited from any advocacy of legislation to enable towns and cities to raise money through taxation for advertising their resources and facilities.

The referendum was taken by reason of the desire of several cities and towns to obtain a general permissive act rather than being obliged to seek authorization by separately petitioning the legislature for individual bills. Gloucester is the only municipality in the state which now has the right to appropriate and expend public funds for advertising. The supporters of the State Chamber's referendum were the chambers of Beverly, Brockton, Fitchburg, Framingham, Gardner, Gloucester, Greenfield, Leominster, Malden, Newburyport, Northampton, Norwood, Pittsfield, Plymouth, Salem, Waltham, and Worcester. The opposing votes came from Athol, Attleboro, Cape Cod, Fall River, Holyoke, Lawrence, Lowell, Lynn, Milford, New Bedford, Newton, Springfield, Taunton, Westfield, and three trade associations of which the largest was the Boston Real Estate Exchange.

### Referendum on Shipping Policy

**P**ROPOSALS for the rehabilitation of the merchant marine and the reorganization of government shipping agencies have been submitted by the Chamber of Commerce of the United States to its 1,400 constituent organization members in a referendum.

The proposals, advanced by a committee of the Chamber, followed in the main the recommendations of the National Merchant Marine Conference and are largely embodied in the Bacon bill now before the House Committee on Merchant Marine and Fisheries. They call for the maintenance of necessary trade routes



**FUNDAMENTAL COURSES**

Psychology  
Economics  
Effective Speaking  
Public Finance and Taxation  
Principles of Business Organization  
Effective Business Communications  
Business and Government  
Evolution of American Business  
Research and Statistics  
Transportation  
Social Problems of Community  
Marketing and Distribution  
Public Service and Traffic Problems  
Legislation  
Economic Problems of Agriculture  
Principles of Accounting  
Accounting and Financial Analysis

**COMMERCIAL ORGANIZATION  
TECHNICAL SUBJECTS****First Year Men**

Organization  
Program of Work  
Meetings and Committee Management  
Membership  
Finance  
Publicity  
Office Administration  
Commercial Activities  
Industrial Activities  
Civic Activities

**Second Year Men**

Organization and Planning of Work  
Effective Committee Operation  
Membership Building and Conservation  
Organization Finance and Business Management  
Organization and Community Publicity  
Principles of Executive Management  
Commercial Organization Accounting  
Chamber of Commerce Salesmanship  
Meetings of Members

**TRADE ORGANIZATION  
TECHNICAL SUBJECTS**

Theory of Trade Associations  
How to Organize and Build a Program of Work for a Trade Association  
Commercial and Industrial Functions of Trade Associations  
Trade Association Finances  
Trade Information and Publicity  
Conventions  
Service Activities (Credit, Traffic, Costs, etc.)  
Legality of Trade Association Work  
Industrial Research  
Cost Accounting  
Advertising and Sales Promotion  
The Secretary and His Work

**SPECIALIZED ACTIVITIES**

Industrial Research and Development  
Problems of the Smaller Community  
Market Building—Wholesale and Retail  
Social Work, Solicitations, Community Chests  
Conventions and Tourists  
Legislative Activities  
Problems of the New Secretary  
Retail Trade Development  
Street and Highway Traffic  
Frauds and Fakes  
Problems of the Chamber with a Small Staff  
Public Health Activities of a Chamber of Commerce

# SIXTH YEAR

## *of the National School for Commercial and Trade Organization Executives*

Under the Joint Auspices of

**The Chamber of Commerce of the United States  
National Ass'n of Commercial Organization Secretaries  
American Trade Association Executives  
Northwestern University**

**E**ACH student is required to take certain Fundamental and Technical courses and two Specialized Activities (see column at the left).

The sixth annual session will be held at Northwestern University, Evanston, Illinois, August 16 to August 28, 1926, inclusive.

The Chamber of Commerce of the United States officially recommends that every constituent member urge its secretary to attend the school.

Attractive dormitory accommodations on the campus, on the shore of Lake Michigan. Also boating, tennis, bathing, golf.

Tuition, \$30.00.

For information address Secretary, Board of Managers, National School for Commercial and Trade Organization Executives, 1020 Metropolitan Building, 134 N. La Salle Street, Chicago, Illinois.

**Board of Managers**

F. ROGER MILLER  
*President, Board of Managers*

R. B. BEACH  
*Vice-President, Board of Managers*

JOHN N. VAN DER VRIES  
*Secretary, Board of Managers*

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*Secretary, Chamber of Commerce, Boston, Mass.*

ELLIOT H. GOODWIN  
*Resident Vice-President, United States Chamber of Commerce*

JOHN IHLDER  
*Manager, Civic Development Department, U. S. Chamber of Commerce*

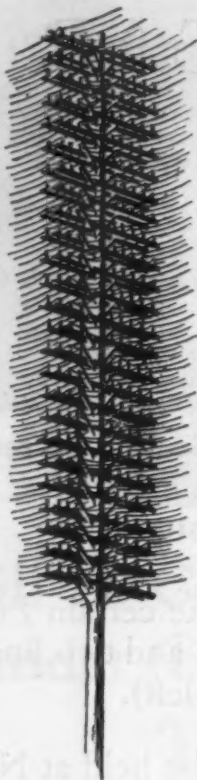
S. C. MEAD  
*Secretary, Merchants Association of New York*

WALTER D. SCOTT  
*President, Northwestern University, Chicago, Ill.*

RALPH HEILMAN  
*Dean, Northwestern University School of Commerce, Evanston, Ill.*

GEO. A. LAMB  
*Secretary, American Walnut Mfrs. Ass'n, Chicago, Ill.*

Sketch of Pole in  
West St., N. Y., in  
1887, carrying 25  
Cross Arms and 250  
Wires.



## Do you remember this?

**I**F YOUR memory goes back to the nineties, you may retain a picture of great numbers of telephone wires strung high on poles in the streets of large cities.

These wires multiplied to such an extent that construction and maintenance were increasingly difficult. It became desirable to put the wires underground. But nobody knew how to do it. The first experiments were failures. The voice faded out. Difficult technical problems had to be overcome. But science gradually triumphed and today the Bell System has \$524,000,000 invested in underground conduits and cables that contain 30,000,000 miles of wire.

The total wire mileage of the Bell System is 45,000,000, interconnecting over 16,700,000 telephones and carrying 50,000,000 messages daily.

This nation-wide plant and its widespread service underlie Bell System securities.

The dividend rate of the stock of A. T. & T.—parent company of the Bell System—is 9%. This investment stock can be bought in the open market to yield a good return. Write for booklet, "Some Financial Facts."



## BELL TELEPHONE SECURITIES CO. Inc.

D.F. Houston, President  
195 Broadway NEW YORK



"The People's  
Messenger"

under private operation, with such government aid as may be necessary; the separation of the Shipping Board and the Fleet Corporation, with some of the present functions of the Board con-



solidated with functions now performed by the Department of Commerce; the creation of a Federal Shipping Council, with regional advisory councils, to take over the function of determining shipping policy, and the reconstitution of the Shipping Board as a purely regulatory body of the same

character as the Interstate Commerce Commission.

The specific recommendations upon which the member organizations of the National Chamber, including an individual membership of approximately 775,000, are asked to express an opinion are:

1. That the duties of a reduced Shipping Board should be confined to regulation of the relations of merchant shipping to the public.
2. That services undertaken by the Government for merchant shipping now performed by the Shipping Board should be transferred to the Department of Commerce.
3. That authority to order increase or decrease of trade-route operations, and authority to determine all questions as to sale of vessels operating such a route, should be given to a Federal Shipping Council serving without compensation.
4. That in each region of the country in which there is a maritime interest there should be a representative advisory shipping council serving without compensation.
5. That the President of the Fleet Corporation should have the duty of carrying into execution the decisions of the Federal Shipping Council as to increase or decrease of trade-route operations, and sale of any vessel so operated.
6. That, where necessity for maintaining trade-routes exists, and pending transfer to private ownership, entire responsibility for operation of government-owned merchant vessels should be given to the president of the Fleet Corporation.
7. That government aid to shipping should be limited to vessels operated upon trade-routes, and to the higher types of ocean-service which can be obtained through mail subventions, and should be sufficient to permit operation upon all essential trade-routes, and to assure the higher type of ocean-service.
8. That government aid should be restricted to American-built vessels.

### Prizes For Convention Papers

PRIZES amounting to \$100 are offered by Ernest N. Smith, general manager of the American Automobile Association, for the best papers and discussions by members of the Southern Commercial Secretaries' Association at their convention in Washington during the week beginning May 10. The prizes for the papers are: first prize \$50, second prize \$25; for the discussions: first prize \$15, second prize \$10.

In defining the conditions of the competition, Mr. Smith wrote:

This contest is limited strictly to papers presented by Southern secretaries, or any member of their staffs, and particularly excludes Dave Skinner's well known paper on "What the Departments Are Doing," which I wrote for him eight years ago and which he has been delivering ever since.

The convention program committee selected by President Hobgood includes: Chairman, Chas. M. Ketchum, Greensboro, N. C.; J. A.

Perhaps you'd  
like to send your  
friend this COUPON:

To the UNITED STATES CHAMBER OF COMMERCE  
WASHINGTON, D. C.

Kindly enter the name of the undersigned to receive thirty-six numbers of NATION'S BUSINESS, one each month, and, in addition at no extra charge, one copy each year of the official transcript containing the addresses delivered by important business and government leaders at the annual U. S. Chamber of Commerce Convention in Washington, together with, on request, an annual index of the contents of the preceding year's numbers. I enclose remittance for \$7.50, which pays in full including postage for the above.

Name..... Date.....

Address.....

City..... State.....

5-26



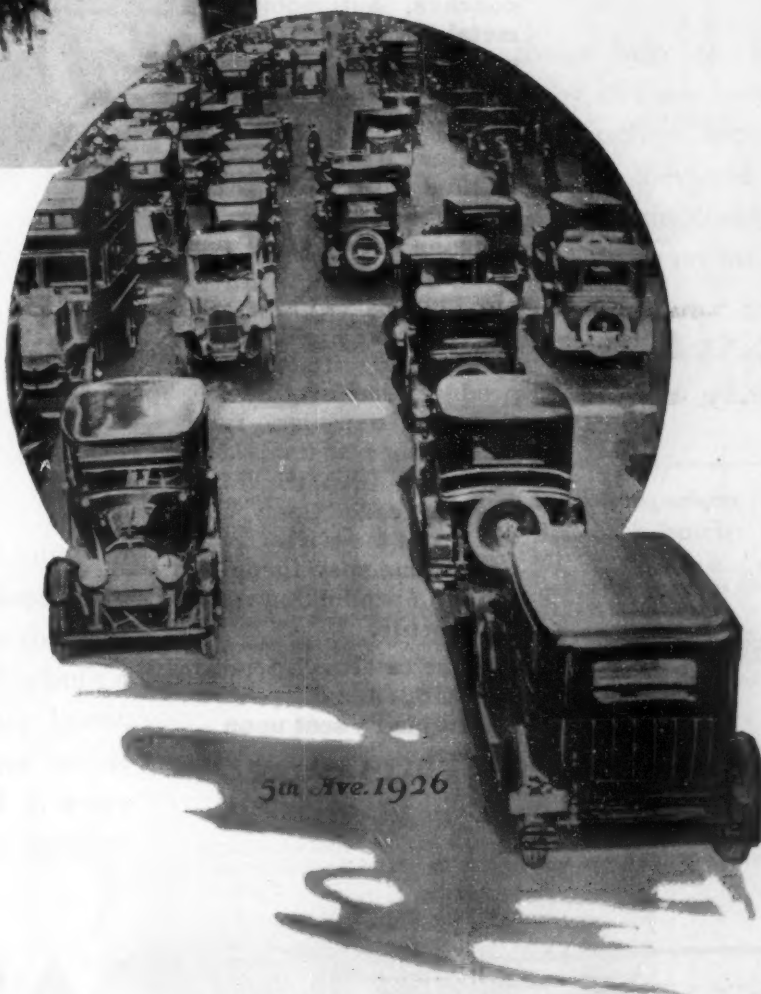
## Grinding - and its Part in Motor Progress



In 1905, the first Norton grinding machine was sold into the automobile industry. Grinding at that time was not a factor in machining operations. Today, many types of grinding machines perform hundreds of operations in this industry. Grinding departments of the great automobile plants are hives of production activity.

With the development of abrasives, grinding wheels and grinding machines has come the development step by step of the motor car. Precision with quantity production has been the goal. Comparison of the car of today and its cost with that of twenty years ago shows what grinding has helped to accomplish. Comparison of street traffic of twenty years ago with today tells a similar story.

The automobile is but one of many modern machines of general usefulness made possible by the help of the abrasive industry.



### Norton Company Worcester, Mass.

New York Chicago Detroit Philadelphia Pittsburgh

BAUXITE PLANT: Bauxite, Arkansas

ABRASIVE PLANTS: Niagara Falls, N. Y., and Chippawa, Ont.

GRINDING WHEEL PLANTS: Worcester, Mass.  
Hamilton, Ont.; La Courneuve, France; Wesseling, Germany

# NORTON

Grinding Wheels  
Floors and Stair Treads



Grinding Machines  
Refractories

When writing to NORTON COMPANY please mention Nation's Business

# DAHLSTROM

## METAL MOULDINGS AND SHAPES

### Cold Drawn Metal Shapes

From the beginning of our career, it has been our pleasure to serve many varied industries with cold drawn metal shapes for railway coaches, automobiles, metal furniture, show cases and store fronts and many other similar lines.

Our Engineers have worked with many of these manufacturers, showing in many cases where a selection from our hundreds of standard shapes would fit profitably into their product, saving them the cost of new dies. In many other instances, our Tool Department has been called upon to work out new dies to meet some special condition in production requirements.

Our catalog "Metal Mouldings and Shapes" will be gladly sent upon request.



## DAHLSTROM METALLIC DOOR COMPANY

JAMESTOWN, N.Y.

PHILADELPHIA  
514 Bulletin Bldg.

DETROIT  
5-251 Genl. Motors Bldg.

CLEVELAND  
991 The Arcade

CHICAGO  
19 So. LaSalle St.

When writing to DAHLSTROM METALLIC DOOR COMPANY please mention Nation's Business

Gawthrop, Richmond, Va.; F. Roger Miller, Asheville, N. C.; D. A. Skinner, Washington, D. C.; O. A. Reynolds, Newport News, Va.

### Traveling Men Dined by Chamber

TRAVELING men who reside in Wichita Falls, Texas, were banqueted by the chamber there in appreciation of their interest in speaking well of Wichita Falls when calling on customers throughout their trade territory. This banquet was attended by 325 traveling men. Frank Kell, one of the city's representative business men, who is also a director of the Chamber of Commerce of the United States, addressed the members and their guests on business conditions in the United States. He counseled the salesmen that "In traveling your territory, you have an opportunity to spread the gospel of business. We are depending on you."

At the first banquet of this sort given last year, the chamber invited traveling men who spend their week-ends in the city, but because of the great increase in their number and the limited accommodations available, the guest list this year was restricted to men who have their homes in Wichita Falls.

### Atlanta Ready to Find Facts

WITH the heading "Let This Expert Staff Serve You," the Industrial Bureau of the Atlanta chamber has defined the scope of its service in a pamphlet "Why We Choose Atlanta." The bureau announces that

it will be glad to make a special, confidential industrial survey, covering market conditions, demand, production advantages and all other factors of importance, in their relation to your special branch of industry. A trained staff of investigators will gather the facts, collate, and present a clear, concise report of actual conditions. This report will be made expressly for you and will be strictly confidential.

### Method to Seattle's Hospitality

SEATTLE'S facilities for the information of tourists and the entertainment of visitors are made available through the chamber's tourist information bureau



and its hospitality committee. About 3,500 representative men and women of the city are pledged to give not to exceed three afternoons a year to the entertainment of visitors who may be selected as their guests by the secretary of the hospitality committee.

Each volunteer for this service is left free to plan the entertainment of the guests assigned. No effort is made to extend this courtesy to all visitors, for the hospitality committee through its secretary exercises its judgment in designating the guests.

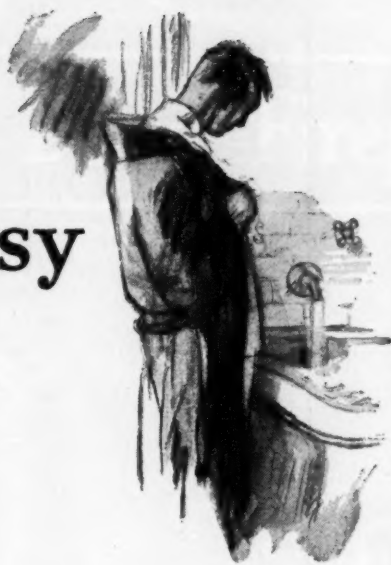
### Coming Business Conventions

(From information available April 1)

Date	City	Organization
May 11-13	Washington	Chamber of Commerce of the United States
2-4	Ft. Worth	Western Petroleum Refiners Association
3	New York	American Steamship Owners Association
3	New York	Association of American Importers of Spanish Green Olives
3-5	St. Louis	Associated Cooperage Industries of America
3-4	Chicago	Incubator Manufacturers Association
3-8	St. Louis	Retail Master Bakers of America
4-7	New Orleans	Air Brake Association
4-6	St. Louis	Associated Bakers of America
4	New York	Retail and Wholesale Music Publishers Protective Association



# Easy on your disposition



THE comfort and convenience of these hotels is proverbial among travelers. Your private bathroom, the circulating ice-water, the well-lighted, well-furnished, well-kept bedroom, with all the little features that are part of Statler equipment—they add a lot to your contentment, don't they?

And the Statler idea of service does much to take the sting out of traveling. Employees are courteous, well-trained, anxious to see that you get the kind of service on which they've built a reputation. They all work, as you may know, under one broad and comprehensive order: "See that the guest is fully satisfied in every transaction; or, if you can't satisfy him, get your superior to him immediately."

Those things help to keep travelers happy, in these houses. They reduce friction between buyer and seller; they add notably to the values the customer receives; they're easy on his disposition.

*Emerson*

P. S. The experienced traveler plans to be in a Statler for his week-end.

## Rates are unusually low, in comparison with those of other first-class hotels:

Rates are from \$3 in Cleveland, Detroit and St. Louis; from \$3.50 in Buffalo, and from \$4 in New York. For two people, these rooms are \$4.50 in Cleveland and St. Louis; \$5 in Detroit; \$5.50 in Buffalo, and \$6 in New York.

Twin-bed rooms (for two) are from \$5.50 in Cleveland, Detroit and St. Louis; from \$6.50 in Buffalo, and from \$7 in New York.

## Boston's Hotel Statler is Building:

A new Hotel Statler is under construction in the uptown district of Boston—to be opened late this year, with 1300 rooms, 1300 baths.

## And an Office Building:

Adjoining the hotel will be the Statler Office Building, with 200,000 sq. ft. of highly desirable office space; Rental Managers, W. H. Ballard Co., 45 Milk St., Boston.

### Values, Values!

EVERY room in these hotels, whatever its price, has private bath, circulating ice-water, bed-head reading lamp, and other unusual conveniences. A morning paper is delivered free to every guest room. Each hotel has a cafeteria or a lunch-counter, or both, besides its regular dining rooms. All articles at news stands are sold at street-store prices.

# STATLER

Buffalo~Cleveland~Detroit~St. Louis

# HOTELS

And Statler-Operated Hotel Pennsylvania~New York

*Hotel*  
**Pennsylvania**  
*New York*

—with 2200 rooms, 2200 baths. On Seventh Avenue, 32d to 33d Streets, directly opposite the Pennsylvania Station. A Statler-operated hotel, with all the comforts and conveniences of other Statlers, and with the same policies of courteous, intelligent and helpful service by all employees.



## Everything O.K. Jim?

No wonder he worries about the plant—sneak-thieves abound everywhere! How easily they could get away with the yard materials and into the buildings—despite the vigilance of the faithful watchmen!

**A** HIGH, unclimbable Anchor Chain Link Fence would provide the extra protection that his plant needs and relieve his worry. It is a watchman whose back is never turned—ever-alert—an impregnable barrier of steel, always guarding every

point around the plant.

Full information regarding the unfailing protection that Anchor Fences afford and their enduring construction is given in our Catalog No. 63. Phone, write or wire our nearest branch office or sales agent for a copy.

### ANCHOR POST IRON WORKS 9 East 38th St., New York, N. Y.

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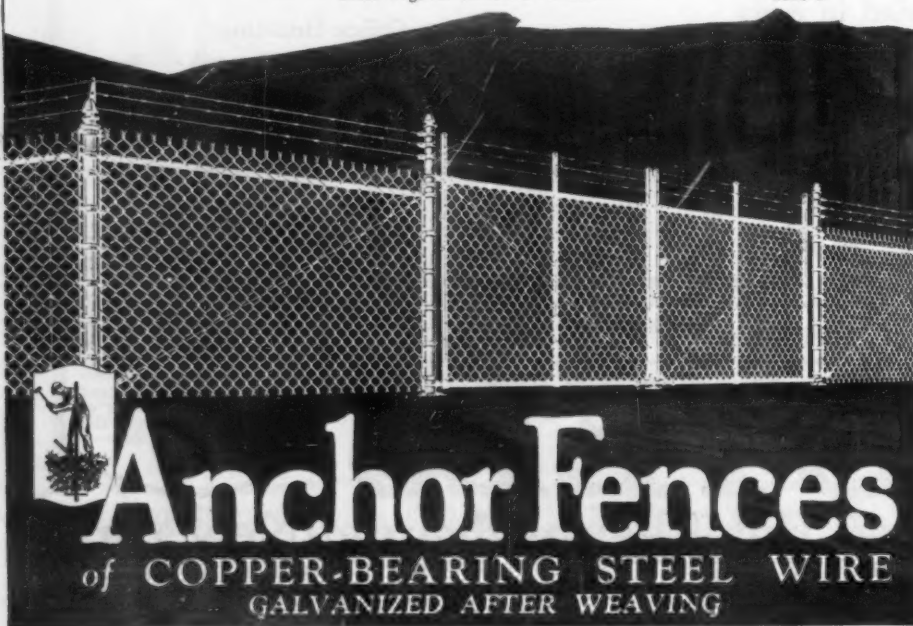
Harrisburg  
Hartford  
Los Angeles

Mineola, L. I.  
Philadelphia  
Pittsburgh

St. Louis  
San Francisco

Sales Agents in Other Cities

2638-G



- 4-6. White Sulphur National Association of Employ-  
Springs, W. Va. ing Lithographers.
- 4-7. Atlanta. Southern Hardware Jobbers As-  
sociation.
- 5. New York. National Bureau of Casualty  
and Surety Underwriters.
- 6. Boston. New England Street Railway  
Club.
- 6-7. Briarcliff Manor, We tern Insurance Bureau,  
N. Y.
- 9-15. Del Monte, Cal. Pacific States Paper Trade As-  
sociation.
- 10-13. Niagara Falls. Controllers' Congress.
- 10-11. Washington. American Association of Ice and  
Refrigeration.
- 10-13. St. Louis. American Booksellers Associa-  
tion.
- 10-12. Chicago. Association of National Adver-  
tisers, Inc.
- 10. Philadelphia. Atlantic Coast Shipbuilders As-  
sociation.
- 10-15. Cleveland. Chemical Equipment Associa-  
tion.
- 10-11. Chicago. National Association of Taxi-  
cab Owners.
- 10-13. Atlantic City. National Fire Protection Asso-  
ciation.
- 10-12. Atlanta. Southeastern Retail Hardware  
and Implement Association.
- 11-14. Atlanta. American Wholesale Grocers  
Association.
- 11. Boston. New England Railroad Club.
- 12-13. New York. National Association of Stove  
Manufacturers.
- 12-16. Washington. Stained Glass Association of  
America.
- 13-15. Detroit. American Gear Manufacturers  
Association.
- 14-15. Cleveland. Advertising Affiliations.
- 15. Chicago. American Washing Machine  
Manufacturers Association.
- 17-21. Atlantic City. National Electric Light Asso-  
ciation.
- 17-19. Washington. National Retail Coal Mer-  
chants Association.
- 17-20. Tulsa. Natural Gas Supply Men, Inc.
- 17-20. White Sulphur National Association of Sheet  
Springs, W. Va. and Tin Plate Manufacturers.
- 18-19. Atlanta. American Cotton Manufactur-  
ers Association.
- 18-20. St. Louis. American Supply and Machin-  
ery Manufacturers Associa-  
tion.
- 18-20. Chicago. Athletic Underwear and Night-  
wear Manufacturers.
- 18-20. Chicago. International Association of  
Garment Manufacturers.
- 18-20. Chicago. National Boys Blouse and Shirt  
Manufacturers Association.
- 18-20. Tulsa. Natural Gas Association of  
America.
- 18-20. St. Louis. Southern Supply and Machin-  
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- 18-20. Chicago. Work Clothing Manufacturers.
- 19. New Orleans. Southern Cypress Manufactur-  
ers' Association.
- 3d wk. Hot Springs, Va. Elevator Manufacturers' Asso-  
ciation.
- 20-22. Hot Springs, Va. Refrigerating Machinery Asso-  
ciation.
- 24-28. New York. American Manufacturers of  
Toilet Articles.
- 24-27. Hot Springs, Va. Electric Power Club.
- 24-28. Louisville. National Association of Sheet  
Metal Contractors of the  
United States.
- 25-27. Atlantic City. American Iron, Steel and Heavy  
Hardware Association.
- 25-28. Buffalo. Master Boiler Makers Associa-  
tion.
- 25-28. Philadelphia. National Paper Box Manufactur-  
ers Association.
- 26-29. Los Angeles. Biscuit and Cracker Manufactur-  
ers Association of America.
- 26-28. Chicago. National Confectioners Association  
of the United States.
- 26-27. Boston. New England Foreign Trade  
Conference.
- 26-27. Charleston, S. C. Southern Retail Furniture As-  
sociation.
- 27-29. French Lick, Ind. American Feed Manufacturers  
Association.
- 27. New Orleans. Rice Millers Association.
- 27. New York. National Board of Fire Under-  
writers.
- Last New York. National Association of Credit  
week Men.

Dates or places of meeting were not available for conventions to be held in May by the following organizations: Agricultural Publishers Association, American Association of Wholesale Opticians, American Road Builders Association, American Short Line Railroad Association, Associated Knit Underwear Manufacturers of America, Mahogany Association, Inc., Manufacturing Confectioners Board of Trade, National Association of Printing Ink Makers, National Automobile Underwriters Conference, National Association of Worsted and Woolen Spinners, National Battery Manufacturers Association, National Commercial Fixtures Manufacturers Association, New England Hotel Association, Oyster Growers and Dealers Association of North America, Proprietary Association, Southern Furniture Manufacturers Association, Southern Metal Trades Association, Specialty Stores Association, Inc.

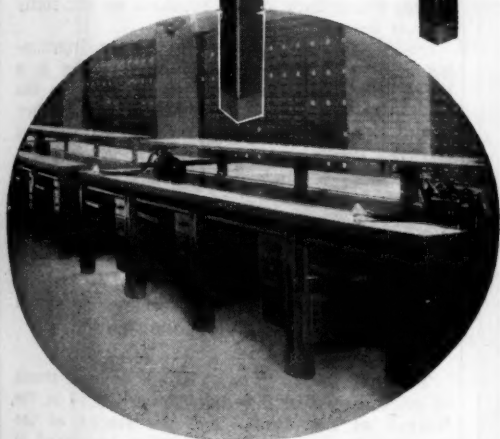


# When Does "Fireproof" Mean Fireproof?

At the right of the picture is an "after the fire" scene in one of the offices on the 35th floor of the Equitable Building, New York. One of the greatest fireproof office buildings in the world. In these offices WOOD office furniture assisted the flames in destroying valuable records.



One of a new line of Van Dorn Steel Desks, moderately priced to help you *standardize* on steel office furniture.



A typical example of an office completely equipped with Van Dorn Steel Office Furniture. Thousands of business firms are protected from record loss and destruction by using Van Dorn Steel Office Furniture.

## Fire Chief Kenlon's Answer

**FIRE** Chief Kenlon of the New York City Fire Dept., commenting on the world's highest, big fire in the tower of the Equitable Building, New York City, said:

"The word 'fireproof' is a much-abused term. Strictly speaking, there is no such thing as a fireproof building, except in the sense that the building itself won't burn. The offices were filled with wooden furniture which made a tremendous blaze."

## Steel Furniture *Plus* Fireproof Buildings

**F**OR greatest fire protection your business should be equipped with Van Dorn Steel Office Furniture and located in a fireproof building. If your business is not in a fireproof building, more than ever does it need the protection of steel equipment.

A new line of moderately priced Steel Desks has been added to the extensive line of Van Dorn Steel Office Furniture. The new line offers the greatest desk values on the market. Many firms equipped in everything in steel but desks, will welcome this opportunity of *standardizing* on steel office furniture.

Ask the Van Dorn merchant in your territory for complete information or write direct to us. *Don't delay!* Profit by the experience of others who "put it off." Write **TODAY!**

THE VAN DORN IRON WORKS COMPANY  
Cleveland, Ohio

Branches: — New York — Chicago — Washington — Pittsburgh — Cleveland  
Agencies in all Principal Territories

# Van Dorn

MASTERCRAFTSMANSHIP  
IN STEEL

When writing to THE VAN DORN IRON WORKS COMPANY please mention Nation's business



## AT YOUR SERVICE

A permanent staff of over a thousand individuals trained in the examination, analysis and appraisal of public utility, industrial and commercial property.

The experience and statistical data accumulated in the making of over 35,000 appraisals.

An executive staff of valuation engineers with many years of experience, individual reputations, and broad conceptions of all elements entering into valuation work, who control, direct and supervise each appraisal engagement.

An organization which enjoys the universal confidence and recognition of Insurance Companies, Financial Houses, and the Investing Public.

The American Appraisal Company is exclusively an investigative and valuation organization. It does not buy, sell, build, operate or finance property. Its findings are unassailable from the standpoint of disinterestedness or competency.

## The American Appraisal Co.

HOME OFFICE, MILWAUKEE

PUBLIC UTILITIES - INDUSTRIALS - REAL ESTATE PROPERTIES - NATURAL RESOURCES

A NATIONAL ORGANIZATION

## Government Aids to Business

Reports of government tests, investigations and researches included in this department are available (for purchase or free distribution) only when a definite statement to that effect is made. When publications are obtainable, the title or serial number, the source, and the purchase price are included in the item.

IN A COOPERATIVE INVESTIGATION by Doctors Endell and Steger of the Technische Hochschule of Berlin, Germany, and the Bureau of Standards,

### American and German Brick Are Compared

the characteristics of fire brick made in this country and in central Europe are being compared. The results of the comparisons so far made are summarized by the Bureau as follows:

The German-made brick average 1 pound heavier than the American-made brick, and are correspondingly larger in size; the silica content of the German brick averages slightly higher and the titania slightly lower than the American brick. The average deformation of the German brick under load at high temperatures is 2.6 per cent greater than the American; the German brick are 25 per cent less resistant to "spalling"; and the refractoriness of the American and German brick, expressed in terms of "pyrometric cones" is approximately the same.

In general, the Bureau says, the data obtained indicate that the American-made brick are equal to, if not slightly superior to the German product.

A STUDY OF CLEANING PREPARATIONS for interior marble work has been begun by the Bureau of Standards to determine whether cleaning methods now in use are

### Preparations for Cleaning Marble Work

in any way detrimental to the highly prized color tones and ornamental features of marble. The cleaning materials in use for this purpose, the Bureau explains, were developed with reference to their cleansing value and with no particular thought of the injurious effects which they might produce on the costly objects being cleaned.

One means used by the Bureau for determining the action of cleaning preparations is a long-period scrubbing test which subjects the samples of marble to as much scrubbing as they would receive in 50 years of normal use. This test, the Bureau reports, has provided information which clearly indicates that some of the cleaners now widely used are not well adapted for cleaning polished ornamental marble work. The experiments do not stop, the Bureau says, with proving a cleaner injurious, for their main object is to develop a preparation of satisfactory cleansing value that can be used by charwomen for cleaning marble without damaging it.

THE USE OF RECLAIMED RUBBER in the treads of pneumatic tires has been investigated at the Bureau of Standards, and the results of the investigation published in

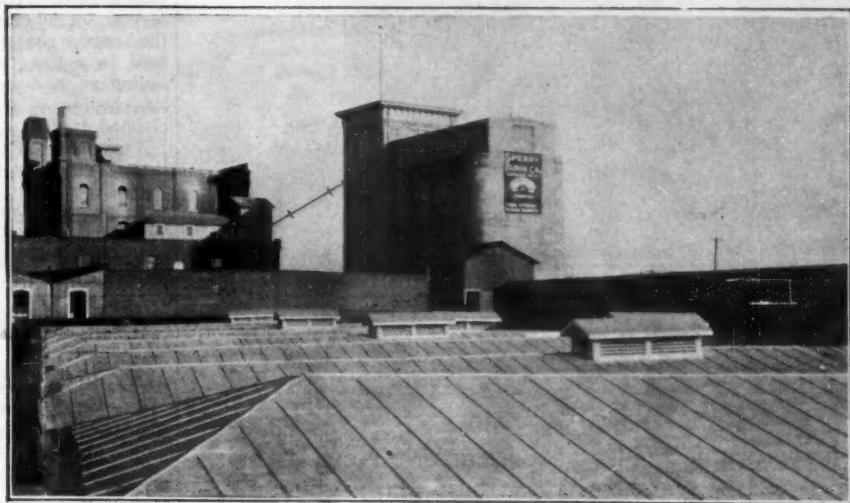
### Reclamation of Rubber for Use in Tires

Technologic Paper No. 294. The results show that tire treads in which 25 per cent of the normal rubber content had been replaced by reclaimed rubber gave an average service of about 7,000 miles on the road. Further experimentation with different grades of reclaimed rubber and different compounds will give still better results, the Bureau believes.

A similar investigation is also planned to include the carcass of tires, the part in which the design is most exacting and in which a small change may have a large influence on the tire's life. For that reason, the Bureau explains, manufacturers have hesitated to use any material other than new rubber, but that because of the high cost of new rubber, considerable ex-



## The Modern Paint for the Modern Plant



### Aluminum Paint Protects, Reflects and Beautifies—with a Coat-of-Metal!

THE mill-roofs, warehouses and elevators of the Sperry Flour Company at Stockton, California, are Aluminum Painted.

The results of this painting are of significance to every mill and factory executive who is interested in increased efficiency and decreased upkeep costs.

For by reflecting the sun's heat, Aluminum Painted roofs keep rooms cool. Efficiency increases naturally with the bettered working conditions.

Through *coat-of-metal* painting,

Aluminum Paint affords cost-lowering durability of protection against rust.

With every Aluminum Painted job there is an extra dividend of beauty. The silver-gray luster of Aluminum Paint beautifies the whole plant layout.

Yet Aluminum Paint costs no more than ordinary paints.

The story of *coat-of-metal* painting with Aluminum Paint is interestingly told in our new illustrated booklet—"Aluminum Paint—A Step Ahead in Industrial Painting". Write for a copy today.

## Aluminum Paint

Aluminum Company of America

2425 Oliver Building  
Pittsburgh, Pa.

Offices in Seventeen Principal American Cities

ALUMINUM IN EVERY COMMERCIAL FORM





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## Make This Year's Vacation Pay You Two Profits!



**NEW CITIES.** New people. New experiences. \*New sights. New recreations. Make your 1926 vacation really different. First, reap big profits in health and relaxation; second, be introduced to A Land of Opportunity—The Pacific Northwest, whose rapid development is an epic of American initiative.

Play in the snow fields of Mount Rainier in July. Enjoy surf bathing. Experience the wonders of world-famous lakes like Crescent and

Chelan. Cruise the incomparable inland sea of Puget Sound. Golf on cool, ever-green fairways. Fish in lakes, mountain streams and salt water. Motor over paved roads through an ever-changing vista of snowcapped mountains, blue seas and ever-green forests.

Seattle, pulsating "Out West" city of 400,000 people, gateway to the Orient and Alaska, is ideal as headquarters for your vacation in "The Charmed Land."

This trip affords the foresighted business man, the manufacturer, the investor, an opportunity to answer his questions "What has caused Seattle's population to jump from 100 white people to 400,000 in the lifetime of people still living there?" "Why is Seattle one of the most rapidly growing industrial cities in Western America?"

Come this year and bring the family for a vacation you will never forget, but give yourself ample time to investigate Seattle's business and industrial possibilities. See for yourself. It may prove the best investment of time you ever made. Special low round-trip fares, May 15-Sept. 15.

### PACIFIC COAST EMPIRE TOUR

Washington, Oregon and California

Get out the map of the United States and start to plan right now the greatest vacation trip you ever dreamed of, the biggest rail transportation bargain you can find—The Pacific Coast Empire Tour.

Come out by one of the four great northern transcontinental lines. See Seattle, Spokane, Tacoma, Portland, Oakland, San Francisco, Los Angeles and San Diego.

Or, if you prefer to reverse the route, you can come out via San Diego and Los Angeles and thence north, by rail or steamer, to Seattle and home via Spokane.

Nowhere else can you see so much or do so much for so small an outlay in time and money. See "All the West" in 1926!

**The TRIP of a Lifetime REMEMBERED a Lifetime**

Business men, manufacturers, investors, write for a copy of the instructive free booklet, "Seattle, an Industrial, Commercial and Investment Opportunity." Or, if interested in a summer's trip or vacation for yourself and family, ask for the recreational booklet, "The Charmed Land of The Pacific Northwest." Address Room 107, Chamber of Commerce, Seattle, Washington.

## Seattle

Metropolis of the Pacific Northwest

When writing to SEATTLE CHAMBER OF COMMERCE please mention Nation's Business

perimental work is being done with a view to making greater use of reclaimed rubber.

Preliminary dynamometer and endurance tests made by the Bureau on tires indicate that the use of reclaimed rubber may be entirely feasible, but the Bureau warns that the inclusion of reclaimed rubber in a scientific manner is of great importance, and that careful consideration must be given to proper balancing of the several ingredients of the compound. Because the carcass contains a large part of the rubber used in a tire, the Bureau says, an important saving in new rubber would result from the substitution of even a small percentage of reclaimed rubber.

Technologic Paper No. 294, Wearing Qualities of Tire Treads as Influenced by Reclaimed Rubber, is obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 5 cents a copy.

THE REDUCTION from 715,200 varieties of grinding wheels to 255,800 varieties, or 64.2 per cent, approved by a conference of manufacturers, distributors, and

**Reduction in the Variety of Grinding Wheels**

users with the cooperation of the Division of Simplified Practice of the Department of Commerce, to become effective on new production, beginning January 1, is now in process of application by the trade in order to clear current orders and existing stocks of the eliminated sizes by July 1.

The schedule accepted was based on a survey of the industry to determine the relative volume of demand for the various sizes of shapes and wheels. The simplified list of sizes is expected to make possible a saving to the industry of \$5,000,000 a year.

SAMPLES OF METAL PIPE buried four years ago in various parts of the United States by the Bureau of Standards in order to determine the effects of soil corrosion

**Pipe Buried to Determine Soil Corrosion**

have been removed for examination. Samples of bituminous and metallic coatings which were buried two years ago were also removed, and several additional specimens of metals and coatings were buried.

Several samples of buried pipe examined some time ago indicated, the Bureau says, that soil conditions largely determined the character as well as the extent of soil corrosion, a circumstance suggesting that to provide against the corrosion of underground structures requires a study of soil conditions and metals. Persons who desire to be present when specimens are taken from the ground should communicate with the Bureau of Standards, Washington, D. C.

THE ACUTE TRAFFIC CONGESTION which the constantly increasing number of automobiles is causing in the retail districts of large cities is automatically decentralizing business, a process

**Congestion of Traffic Causes Decentralization**

which may alleviate the congestion, according to a bulletin issued by the Department of Commerce. This process of decentralization signifies the establishment of shops of various kinds outside the congested business areas. Merchants are more and more recognizing the tendency of shoppers to do their buying away from the districts of traffic density, the bulletin says and takes note of the fact that in one large city two important department stores have already bought sites in a residential center for the location of branch stores.

The difficulties experienced by retail business in congested areas prompted many representative retailers to ask the Domestic Commerce Division of the Bureau of Foreign and Domestic Commerce to make a comprehensive study of the traffic situation and its relation to retail trade. In order to obtain the facts thousands of questionnaires were addressed by the Divi-



sion, and the replies are the basis of the bulletin. This report, Vehicular Traffic Congestion, published as Trade Information Bulletin No. 394, may be obtained free of charge from the Bureau of Foreign and Domestic Commerce, Washington, D. C., or from any of the Bureau's district offices.

**MANUFACTURERS USING RAYON** for knitting or weaving should be careful not to mix shipments if the material is to be piece-dyed later, says the Bureau of Standards in reporting an investigation of cross streaks of color in rayon tubing. The tubing examined by the Bureau came from a mill which had been making tubings of five different colors, and was made on a six-feed machine. By unraveling the fabric sufficient yarn was obtained to knit separate fabrics from each of the feeds on a single-feed machine. The resulting fabrics showed a distinct variation in shade.

As the material was dyed in the same bath, the investigation indicated that the variation of color was caused by difference in the absorption qualities of the rayon fiber. This conclusion was confirmed, the Bureau reports, by "stripping" the original samples, an operation which disclosed that the dark parts required longer to "strip" than the light parts.

**IN CONNECTION** with the requirements of the uniform vehicle code considered by the National Conference on Street and Highway Safety in Washington, the Bureau of Standards recommended that laws and regulations be made as simple as possible and that dependence be placed on the education of motor car manufacturers and users for the improvement of traffic conditions. With this recommendation in view the Bureau has issued an informative circular on automobile headlights.

This circular, No. 276, Motor Vehicle Lighting, is obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 20 cents a copy.

**TESTS OF ASBESTOS TEXTILE Brake Lining Materials** in service on a motor car disclosed, the Bureau of Standards reports, a marked decrease in the coefficient of friction with a considerable increase in the temperature of the linings. The tests indicate, the Bureau says, that it is far more important to develop brake linings with coefficients of friction which vary over only a comparatively narrow range than to develop linings which under ideal conditions have extremely high coefficients.

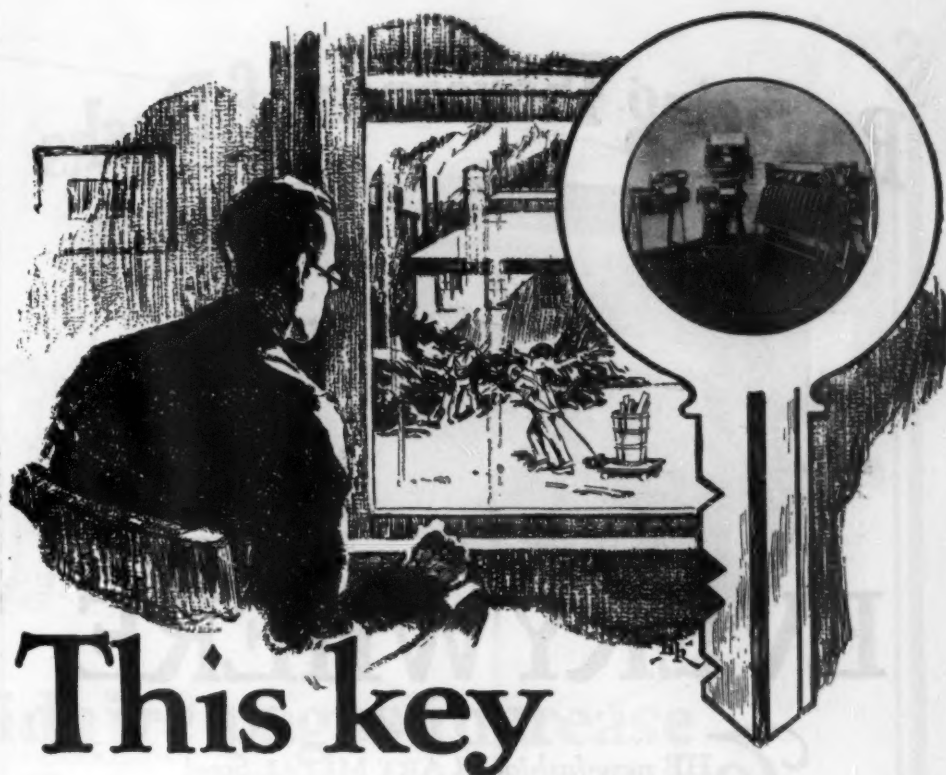
These service tests, the Bureau believes, emphasized the need for designing the brake mechanism to provide for satisfactory braking ability when the coefficient of the lining becomes abnormally low.

**STUDENTS WHO DESIRE ACTIVE TRAINING** for research work in mining and metallurgy now have opportunity through a series of cooperative arrangements made by the Bureau of Mines, Department of Commerce, and several universities and colleges. These institutions have agreed to provide

more than thirty fellowships for the year 1926-1927. The problems to be studied include a wide range of scientific research. Detailed information with regard to the terms of the different fellowships may be obtained by application to the institutions, which are:

The School of Mines of the College of Engineering, University of Alabama, Tuscaloosa, Alabama.

The Department of Mining and Metallurgy,



# This key

*showed why good metal went crippled to the scrap pile . . .*

**ONE** of the largest companies in the country felt that too much good metal was going crippled to the scrap pile. Those in charge of production quickly found out what lack of check-up was costing them when they began using Powers mechanical accounting methods.

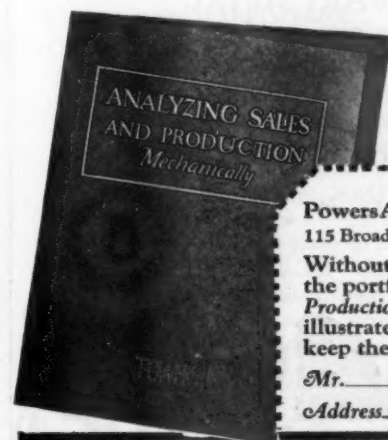
Powers methods analyzed their "rejections," showed the number of faulty pieces produced by order and part number, at what operation the

fault became apparent, and the nature of the defect. Summaries of this data went to the foremen. "Rejections" suddenly dropped to minimum. "Cripples" turned to marketable products.

Powers methods have done much to make this large concern one of the most efficient in the country. They have aided executives in every line of business to base decisions and determine policies on current basic FACTS.

*Send the coupon below for a complimentary copy of Portfolio*

**Powers Accounting Machine Corp.**  
115 Broadway New York City



**Powers Accounting Machine Corp.**  
115 Broadway New York City

Without obligating us, kindly send the portfolio "Analyzing Sales and Production Mechanically," which illustrates how well-known concerns use Powers methods to keep their businesses clear and transparent.

Mr. \_\_\_\_\_

Address \_\_\_\_\_

# POWERS MECHANICAL ACCOUNTING EQUIPMENT

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# Replacing Thousands of Desks



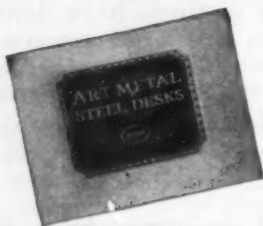
## EVERYWHERE

**T**HE new-fashioned ART METAL Steel Desk has definitely arrived in the minds, and in the offices of America's business men . . . replacing the old type of desk with a better, finer, more efficient desk . . . replacing the high up-keep, expensive desk with a practical, permanent, one-cost, new-fashioned desk.

There is a model for every type of office work . . . and at a lower price despite their many refinements and innovations. Improved manufacturing methods enable ART METAL to offer these new-fashioned

Steel Desks at a lower price than was previously possible.

To inspect these new-fashioned desks is to immediately recognize their superiority. Visit the ART METAL Store in your city and see them . . . your first opportunity.



All these new-fashioned Art Metal Steel Desks are fully described in the Art Metal Desk Catalog. A copy will gladly be furnished you on request.

ART METAL CONSTRUCTION CO.  
JAMESTOWN, NEW YORK

# Art Metal

STEEL Office Equipment, Safes and Files

Carnegie Institute of Technology, Pittsburgh, Pennsylvania.

The College of Mines of the University of Washington, Seattle, Washington.

The Arizona Bureau of Mines of the College of Mines and Engineering of the University of Arizona, Tucson, Arizona.

The Department of Mining and Metallurgical Research, University of Utah, Salt Lake City.

The School of Mines of the University of Idaho, Moscow, Idaho.

The School of Mines and Metallurgy of the University of Missouri, Rolla, Missouri.

The University of Nevada, Reno, Nevada.

THE WOOD BY-PRODUCTS EXCHANGE, organized by the Forest Products Laboratory at Madison, Wisconsin, supplies a medium through which

### By-Products of Wood Handled by an Exchange

producers can locate markets for small trimmings, edgings, squares and odd-size pieces of wood, and through which wood-consuming plants can find sources of raw material to meet their requirements.

Anyone who desires may become a member of the Exchange, and there is no charge for its services. It is simply an intermediary provided by the Government for assisting in the greater utilization of low-grade and odd-size material.

Questionnaires are sent by the Laboratory to producers, asking the kind, size, and quantity of by-product material they have to sell, and to consumers, asking what they wish to buy. The information thus collected is classified in three groups, and distributed in mimeographed lists—one including buyers, one including sellers of square-edged cuttings in random or specified sizes, one including sellers of sawdust, shavings, slabs, and edgings.

Supplements to these reports are issued as occasion arises, and include changes in membership, suggestions as to new markets, listings of new material for sale, methods of storing, and any other new information which might be helpful in making the Exchange of greater service.

Applications for membership or for the reports indicated above should be addressed to the Forest Products Laboratory, Madison, Wisconsin.

ENGINEERS OF THE DEPARTMENT OF AGRICULTURE have installed a mill for grinding oat hulls at the experimental farm, Arlington, Virginia,

### Inert Gas Used to Prevent a Dust Explosion

in order to demonstrate the practicability of using inert gas from boiler flues for preventing dust explosions. Flue gas is supplied through a pipe line from the power house.

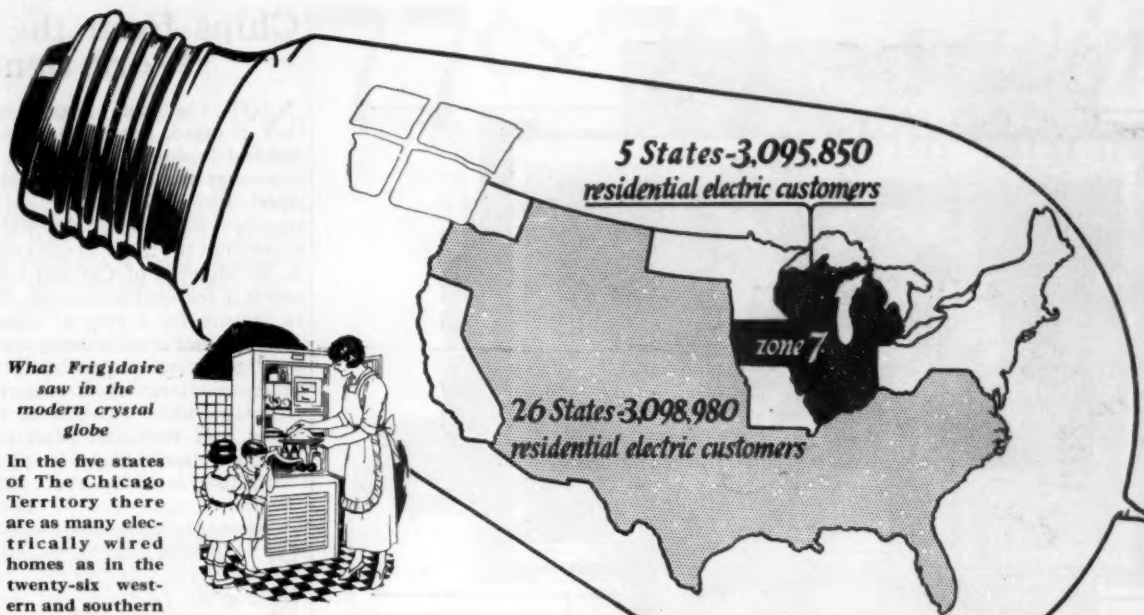
Explaining that many dust explosions in feed grinding mills originate at the point where the grain enters the grinding machinery, the Department says that they are traceable to the presence of dust and its ignition by sparks from contacts of pebbles or bits of metal with the steel grinding plates. Under normal conditions, the Department says, the atmosphere contains 21 per cent oxygen and tests have shown that explosions can not occur in an atmosphere containing less than 13 per cent oxygen. By the introduction of flue gas or carbon dioxide in sufficient quantity explosions can be prevented.

Although the test mill is equipped for grinding oat hulls for stock feed, the principles involved in preventing explosions by means of inert gas are applicable to mills that grind many other materials.

The Department desires that mill owners and operators visit the experimental mill and observe some of the tests, both with and without the inert gas present in the system. Arrangements may be made with the Department for observing the tests, or information on any particular phase of the use of inert gas as a means of preventing explosions is obtainable by writing the Bureau of Chemistry, Washington, D. C.



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What Frigidaire saw in the modern crystal globe

In the five states of The Chicago Territory there are as many electrically wired homes as in the twenty-six western and southern states shown on the map in gray—a million more than in the second zone in the "United Markets of America."

## Frigidaire pages increase

ELECTRIC REFRIGERATION

### Sales 300% in six months in zone



LAST December I. K. Stover, of Stover Co., distributors of Frigidaire electric refrigeration in The Chicago Territory, wrote The Chicago Tribune: "We will have another full page in the December 14th Tribune suggesting Frigidaire for Christmas. This makes the eighth page since May 24th.

"Since the appearance of the first page in the series, our sales have more than quadrupled over the same six months of last year. Each advertisement has been productive of immediate business . . . It has brought us many applications from salesmen of a very high type and dealers within a radius of many miles."

The Delco-Light Company started to advertise Frigidaire, using national magazines, in 1923. Through 1924 they blanketed the United States, as a single market, with magazine advertising. If they had not stopped to analyze the country in 1925, considering it as a group of

individual markets, weighing one market against the other, the above letter could not have been written. Their analysis revealed facts vital to any manufacturer. In Zone 7—the compact area of Illinois, Indiana, Iowa, Michigan and Wisconsin—there were 3,095,850 residential electrical customers, as many as in 26 western and southern states combined.

Zone 7 indicated their greatest opportunity for sales, and they took advantage of it. Eight pages were scheduled in The Chicago Sun-

day Tribune to reach 60% of all the families in 1151 towns of this rich area. The Tribune was the only Chicago newspaper to receive an advertising schedule. Full pages were used.

*Within six months their Chicago Territory sales had more than quadrupled.*

Credit to whom credit is due was given by Mr. E. G. Biechler, President of the Delco-Light Company. He wrote on January sixth, "We consider our test campaign in the Sunday Tribune a decided success and have authorized a non-cancellable schedule of at least thirteen full pages in 1926."

What consideration are you giving to Zone 7? It deserves more than the mere inclusion in a national sales and advertising program. A Chicago Tribune man will gladly answer your request for facts about this rich area that are pertinent to your industry.

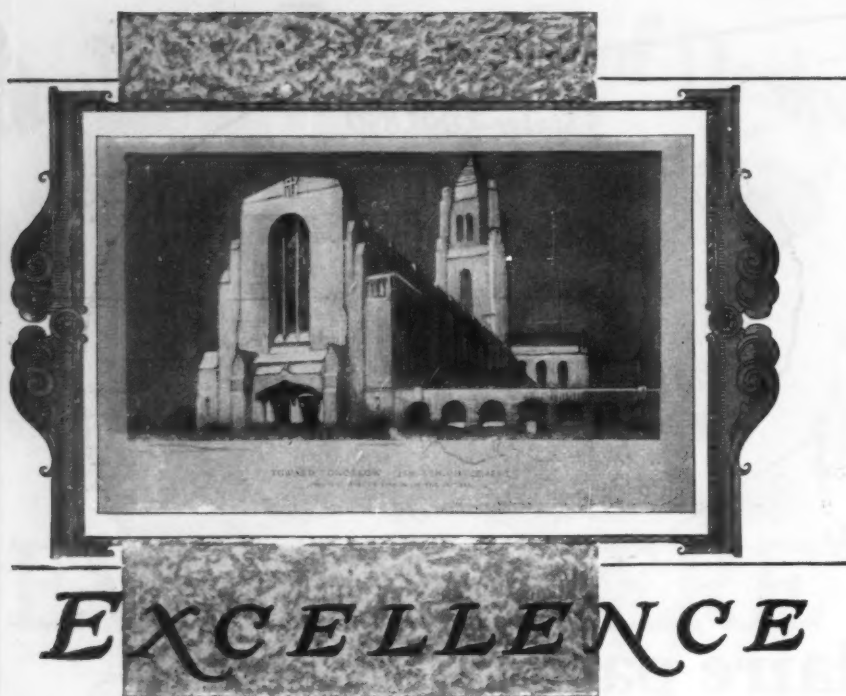
## The Chicago Tribune

The World's Greatest Newspaper

New England Advertising Office, 718 Chamber of Commerce Bldg., Boston Eastern Advertising Office, 512 Fifth Ave., New York

GROW WITH THE TRIBUNE IN 1926

When writing to THE CHICAGO TRIBUNE please mention Nation's Business



**M**EDIOCRITY—false economy—in any detail of your sales literature lowers its effectiveness. In preparing all your printed matter you look well to the quality of your art work, engraving and printing. Likewise, look well to the quality of the paper on which every job is run. Only a coated paper of Cantine excellence can insure the impressive presentation that the halftones and selling description of your products deserve.

Book of sample Cantine papers and name of nearest jobber on request. Address: The Martin Cantine Company, Dept. 354, Saugerties, N. Y. Since 1888, manufacturers of fine coated papers exclusively.

#### Contest Winner

Irvin Morgenstern Press, 118 West 39th St., New York City, and Fred G. Wolf of The Blackman Co., of same city, were the winners of the January Cantine Contest. Their impressive Lehigh Portland Cement folder was printed on Cantine's Ashokan.

# Cantine's

# COATED PAPERS

CANFOLD

ASHOKAN

ESOPUS

VELVETONE

LITHO C I S

## REPRINTS OF ARTICLES

appearing in this magazine may be ordered from us at cost

WE WILL GIVE permission upon request to reprint articles from NATION'S BUSINESS in house organs or in other periodicals.

NATION'S BUSINESS, Washington

### BRANCH OFFICE SPACE IN ROCHESTER

Executives planning the opening of a branch office in Rochester should consider the new, fireproof Temple Building, recently opened. Fourteen stories, five fast elevators, 24-hour service. In the heart of the retail district. Rentals unusually low. Write for literature.

C. W. CAMPBELL, Business Manager  
401 Temple Building, Rochester, N. Y.

### Bird Dogs Trained Without Abuse

for \$10.00 per month, board \$5.00 additional  
Shoot Quail in North Carolina This Year

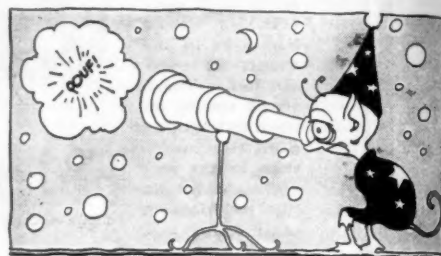
20c per acre buys hunting privileges. N. C. has rabbit, possum, squirrel, coon, fox, wild turkey, too. Start us leasing now. Don't wait. Address

J. M. FIELD, Climax, N. C.  
60 miles north of Pinehurst

## Chips from the Editor's Work Bench

NOT that any appointments need be changed, but rather as a matter of unfinished business, it is worth while to make a note of the latest appraisal of the earth's durability. This battered old globe will hold together for another 999,998,000,000 years, according to the calculations of Professor R. E. Moulton of Chicago University. That seems a reasonable amount of time in which to prepare for a general dissolution of partnerships and attachments, but like as not, a good many people will still be putting off urgent matters "until tomorrow" when the last day dawns, for that is the way of the world, and Professor Moulton's fateful calculations aren't likely to change it.

On that last day the earth will get too



close to the sun, and "Pouf! That will be all. Just like the snuffing of a candle, it will melt and be destroyed."

Applying the speed of light, 186,000 miles a second, to the disc-like conformation of the universe, Professor Moulton fixes its distance from end to end at 200,000 light-years, and from top to bottom, at 30,000 light-years.

Remembering that the earth's diameter is approximately 8,000 miles, or about one-twentieth of a light-second, there is good ground for fearing that word of our existence has not yet reached dwellers on the far fringe of the cosmos. To their ears the commotion caused by the end of this world may seem no more than a touch of "static"—just something to be tuned out and forgotten in the eternal music of the spheres.

**ENROLLMENT** in engineering colleges and schools throughout the United States for the school year 1925-1926 amounted to 56,332, says a report published by the Interior Department through its Bureau of Education.

Included in the report are 143 educational institutions teaching the various branches of engineering. Electrical engineering, with 18,204 students, heads the list. Civil engineering is second with 12,502, and mechanical engineering is third with 10,662 students enrolled. Other courses with considerable enrollments are: Chemical engineering, 4,887 students; architectural engineering, 2,529 students; mining and metallurgy, 2,076 students.

The report raises the problem of gearing 56,000 trained minds to productive jobs. Well, there are problems a-plenty in the workaday world, and the young men will find useful places according to their readiness to help out with solutions. For suggestion, if some of the graduates could only contrive to reduce the density of the population, they would perform a miracle of education.

**ELECTRIC POWER** development is strengthening the nation's defenses, thinks General G. E. Tripp, chairman of the



Westinghouse Electric & Manufacturing Company. Writing on "Super Power from a Military Standpoint" in *Army Ordnance*, the General says:

The growth of industries suitable for munition production in the Mississippi Valley and the middle west, is being stimulated, permitting more and more of this work to be done away from the Atlantic Coast region, which lies more or less open to attack.

The number of men required to produce a given quantity of munitions is being constantly decreased and this increases our potential manpower for active service.

Those paragraphs serve to meter the nation's defensive amperage. They invite belief that at the touch of a switch or the push of a button, a myriad plants could get ready almost overnight to manufacture the munitions of war—provided, of course, their motors were not short-circuited with the traditional tie-ups of red tape. And it might be that America's "splendid isolation" could be modernized to as splendid an insulation against destructive shocks from abroad. Visitors would then know that America was not a land for selfish wire-pulling, for the very torch of Liberty would radiate the wholesome warning, "Caution! Live Wires!"

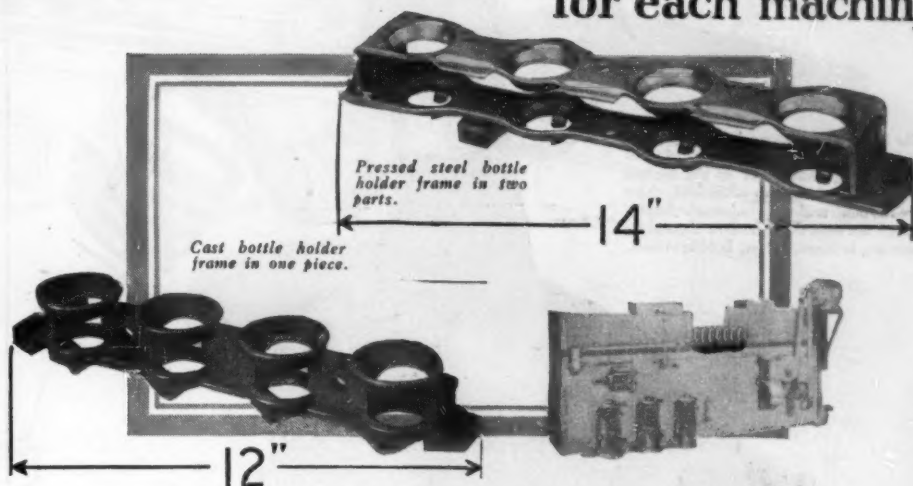
OCEAN travel is now on the crest of a tidal wave of popularity, suggests the *Savings Bank Journal* in reporting an increase of trans-Atlantic passengers from 585,471 in 1924 to 732,151 in 1925. Explanation for the increase is at hand in the "luxurious and enticing appointments" of the ships now in service. In this service the motor ship will eventually take its place, and in that behalf the *Journal* enters an item with saying that the Cosulich Line of Italy has launched the "largest motorship for the trans-Atlantic service . . . last fall the first 'steamless ship' in the Atlantic trade plying between New York and the Scandinavias was announced. A sister ship is about to be constructed."

But even though the motorship is setting a new style in marine architecture, it has not forsworn the funnel. The inclusion of that traditional piece of ship furniture may be a bit anomalous, but there is no gain-saying that it accords with the best salt-water customs.

By its own report, the Save-to-Travel Association, a year ago, was "little more than a far-visioned inspiration," but now "the stage of results and sound promotion has been reached." And certainly the desire to travel, to see the world, to set foot on foreign lands is normal and rational. The increasing number of globe-encircling tours attests the translation of that desire into active demand. Of what sorts and conditions of men are the passengers, and from where do they come? Lists of passengers on these junkets rarely include names known to fame. More often they carry the names of men and women who have slowly acquired the means for a respite from the cares of life—"retired business men and their wives who in the evening of their lives are finding some time to do a little resting; professional women who have made good, and take a goodly vacation as a reward; elderly school teachers chaperoning groups of daughters of the well-to-do; the bone and sinew of interior cities and the richer farms; seldom young men with work to do in the world."

Could a study of human nature be made from deck to deck of one of those great touring towns, it would provide an informative cross-section of American life, it would

**77¢ × 79 = savings**  
for each machine



**T**HE bottle washing machine made by an equipment manufacturer has 79 bottle holder frames. Each frame was an expensive cast part. YPS Engineers redesigned the casting into two pressed steel parts at a saving of 77c on each frame. Multiply 77c by 79—pressed steel saved \$60.83 on the manufacturing cost of each machine.

And the equipment manufacturer finds that pressed steel brings these additional benefits:

1. Frame now delivered ready for assembly.
2. All machining and drilling eliminated.
3. Two-piece frame makes adjustment of inner mechanism much easier.
4. Pressed steel gives better finished part.

The replacement of just one cast part now used in your product, by a pressed part may save thousands of dollars annually for you. Let us tell you how much you can save by using pressed steel. Send sample or blueprint of any of your castings—there's no obligation. Redevelopment facts will surprise you!

THE YOUNGSTOWN PRESSED STEEL COMPANY, Warren, Ohio  
New York—501 Fifth Ave. Chicago—927 Straus Bldg.

"Pioneers in Pressed Steel Redevelopment"



**ADVENTURES IN REDESIGN**—The example given here is only one of the hundreds of pressed steel redevelopments we have made. "Adventures in Redesign" is a booklet that relates equally remarkable instances wherein "pressing from steel instead" has reduced weight, increased strength and vastly improved the character of products for almost every branch of industry. Ask your secretary to mail this coupon today.



"Press It from Steel Instead"

THE YOUNGSTOWN PRESSED STEEL CO.,  
Warren, Ohio.  
Please send me a free copy of "Adventures in Redesign."

Name \_\_\_\_\_

Company \_\_\_\_\_

Street \_\_\_\_\_

Town \_\_\_\_\_ State \_\_\_\_\_

N. B. 5-26

The Dutch Boy trademark is on every keg of Dutch Boy white-lead. It guarantees your getting lead paint of the highest quality. In addition to white-lead, there are also made under the trademark: flattening oil for use with white-lead in decorating interiors, red-lead, solder, babbitt metals.



## Your house needs paint now IF—

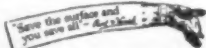
**I**F the paint film has worn down very thin, or if the paint film has broken in spots, decay and deterioration threaten your house, and it needs painting, **NOW!** It needs a covering of an all-lead paint made of Dutch Boy white-lead and pure linseed oil.

House owners use this lead paint because of its superior weather-resisting qualities. Its basic ingredient is Dutch Boy white-lead, a pure white-lead corroded from the metal. This paint will cover your house with a moisture-proof film that is tough and elastic, and will not crack or scale.

If your house looks old and worn—if it has begun to drop in value, your house needs Dutch Boy white-lead paint **NOW.** A covering of Dutch Boy white-lead paint makes any house better-looking, more desirable, more valuable to all who see it.

Dutch Boy white-lead paint is economical, reasonable in price. One hundred pounds of Dutch Boy white-lead make seven gallons of pure lead paint. But the real economy of this paint lies in its durability, which saves the cost of many repairs and frequent repaintings. Dutch Boy white-lead wears—and wears—and wears.

**Write for new paint booklet**  
"Decorating the Home" is a new free booklet, illustrated in color, which suggests decorative treatments for exteriors and interiors. It will be sent you if you write our nearest branch.



### NATIONAL LEAD COMPANY

New York, 111 Broadway; Boston, 131 State Street; Buffalo, 116 Oak Street; Chicago, 900 West 18th Street; Cincinnati, 659 Freeman Avenue; Cleveland, 820 West Superior Avenue; St. Louis, 722 Chestnut Street; San Francisco, 485 California Street; Pittsburgh, National Lead & Oil Co. of Pa., 316 Fourth Avenue; Philadelphia, John T. Lewis & Bros. Co., 437 Chestnut Street.

## Dutch Boy White-Lead

### Makes an all-lead paint

*When writing to NATIONAL LEAD COMPANY please mention Nation's Business*

give a new understanding of people in "comfortable circumstances"—but until some inquisitive philosopher can raise the money for a sea-going ticket, that aspect of the floating population must remain uncharted and unsung.

**N**OW THAT trans-oceanic telephony has been established, eavesdroppers among the nations may expect to hear no more good of themselves than do uninvited listeners on other party lines. Still, it is possible that international conversations may give timely emphasis to the French proverb, "to understand all is to pardon all."

**O**N THE word of Eric H. Louw, a South African trade commissioner now accredited to the United States, ostrich farming in



his country has become a skin game. Bobbed hair and the consequent doom of large hats for women, he explains, have made the bird's hide worth more than its feathers. Once the standby of modish milliners, the ostrich now loses its head to serve fashion in handbags—a circumstance to show again that style can break or make business, a sort of feather in the trade winds to show that fine plumage does not forever keep fine birds fine.

**O**NE tractor does not make a farm, nor does a radio always keep the home sires learning, but the government census of agriculture for 1925 shows an enlightening relation between the number of tractors and radios reported. Announcement has been made of preliminary figures for several states, one statement including figures for Alabama, Idaho, Iowa, Michigan, Missouri, Nebraska, Nevada, New York, North Carolina, Ohio, Oklahoma, Virginia, and West Virginia.

Of those states, New York was first in radios with 24,620, Iowa stood next with 23,645, Missouri ranked third with 17,592, Ohio was fourth with 15,917, Nebraska fifth with 12,740, and Michigan sixth with 9,028. All the others reported less than 5,000 sets.

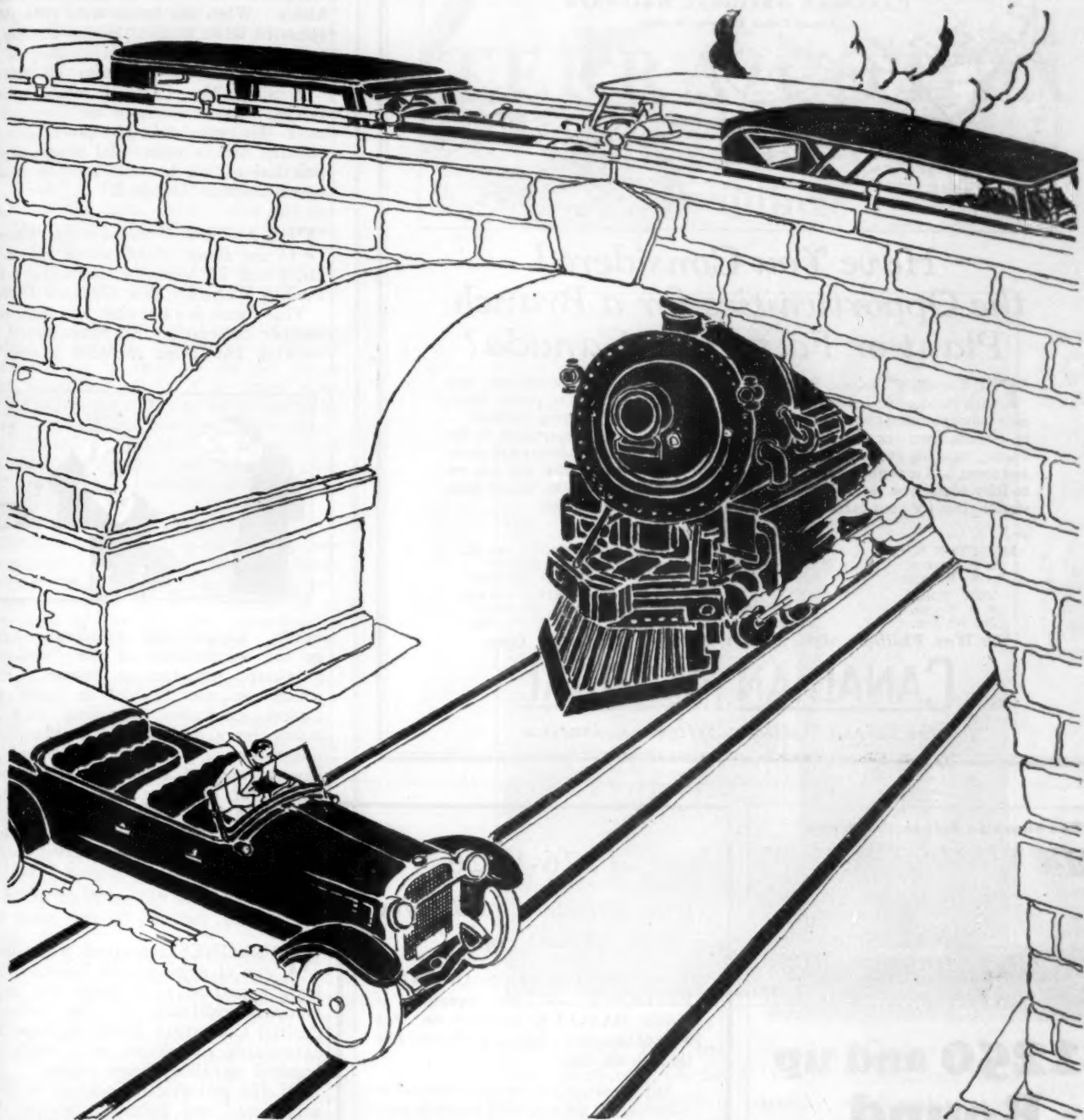
In tractors Iowa led with 37,230, Ohio came next with 30,932, New York was third with 25,701, Michigan took fourth place with 19,283, Nebraska was fifth with 18,760, and Missouri sixth with 12,762. Except Oklahoma with 10,950, all the other states reported less than 10,000 tractors.

This evidence confirms belief that the farmers are beating the familiar plow horse with the tractor, but it also adds another "R" to the traditional trinity taught by the little red school house.

**T**HAT truth can be attractively dressed with the pleasant fiction of a fairy tale is demonstrated by G. A. Cardwell, agricultural and industrial agent of the Atlantic Coast Line, in a news letter extolling the virtues of soybeans. For prelude to his message he turns back to the legendary exploit of Jack and the beanstalk.

Jack, as nearly every one knows, acquired





*Why risk a grade crossing when a viaduct is near at hand?*



The Hartford's commanding position has attracted competent, substantial, well-informed agents, whose wise selection of risks contributes largely to the Hartford's financial strength.

## HARTFORD FIRE INSURANCE CO.

HARTFORD, CONN.

*The Hartford Fire Insurance Company and the Hartford Accident and Indemnity Company write practically every form of insurance except life.*



## Have You Considered the Opportunities for a Branch Plant or Factory in Canada?

THE Canadian National Railways, with its 22,000 miles of road, is the only railway serving the nine Provinces in Canada from the Atlantic to the Pacific, touching every important City and town, and is therefore in a position to fully advise you as to the most desirable place for your branch plant or

warehouse from an economic and strategic standpoint, as to power, labor, freight rates and shipping facilities.

The Industrial Department of the Canadian National Railways will gladly give you any information you may require, to enable you to decide upon the best possible location.

For information write to

MONCTON, N. B.  
A. T. WELDON  
Traffic Manager  
NEW YORK  
P. A. YOUNG  
505 5th Ave.

MONTREAL, QUE.  
S. G. TIFFIN  
Com. of Industries  
TORONTO, ONT.  
S. J. RAYMOND  
Com. of Industries

DETROIT, MICH.  
A. L. SHANLEY  
Com. of Industries  
WINNIPEG, MAN.  
W. G. MANDERS  
Freight Traffic Mgr.

Or Wm. Phillips, Mgr., Industrial Dept., Montreal, Que.

# CANADIAN NATIONAL

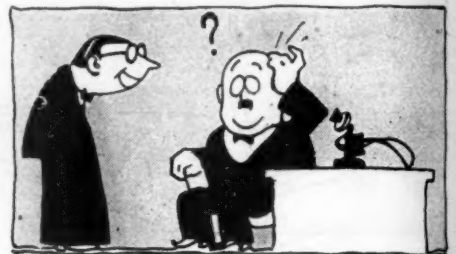
The Largest Railway System in America

a store of beans through a rather irregular transaction in which the family cow changed hands. When the beans were planted, they sprouted into a magical ladder, leading, so the tale runs, to an unknown country . . . and so on and so on, adventure on adventure.

Possibly Mr. Cardwell does believe in fairies, but he writes of no fabulous beanstalk—his beans' talk gets down to a known country and to substantial beans, and most practical of all, he tells how to make the beans produce "the Jack."

THE AVERAGE business man knows how to use about 10,000 words, according to Dr. Frank H. Vizetelly, managing editor of Funk & Wagnall's *New Standard Dictionary*.

That figure is somewhat less than half the number commanded by Shakespeare, whose working knowledge included about 23,000



words. Beyond that considerable aggregate go the vocabularies of the "well-schooled physician, minister, or lawyer," each of whom can use "25,000 or more words." College graduates get along with 20,000 words, more or less, and at Princeton, for illustration, upper classmen are believed to have a range of about 16,500 words—some reason for expecting that when the young men make their marks in the business world and gather 'round the banquet board, they will be able to express themselves with something less usual than singing "Hail! Hail! The Gang's All Here," and shouting "Attaboy!"

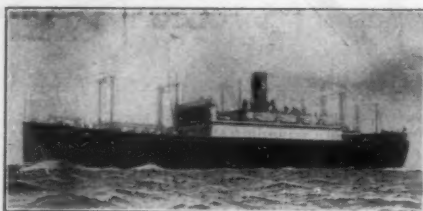
MAGAZINES concerned with the interests of employees are becoming increasingly important as a means for improving industrial relations, says the National Industrial Conference Board of New York in announcing completion of a study of five hundred so-called "house organs."

Of 428 periodicals described as "employee magazines" and published within the last three years, 228, or 53.2 per cent, directed to employee interests are still published; 51, or 11.9 per cent, were used for sales promotion from the beginning, or were later used for sales promotion; and 149, or 34.8 per cent, have been discontinued.

The high mortality of this group of publications prompts the Board to comment that "their use is not always properly understood," and that "a frequent cause of failure in the publishing of employee magazines has been found to be the lack of definite editorial policy, with consequent lack of reader interest"—a way of saying that a course in industrial harmonics might have saved the editors from failure as house organists.

THOSE New York promoters who offer to provide transportation to the gold fields of Red Lake, Ontario, are not playing the game according to the accepted traditions. Prospecting by airplane flies in the face of the best authorities. Electric foot warmers, and radio sets for getting current quotations on gold—seem more related to the comforts

"The Sunshine Belt to the Orient"



## \$1250 and up Round the World

on a President Liner like this

Go Round the World. Visit 22 ports in 14 countries. Stopover where you like for two weeks or longer. Enjoy 110 days of delightful adventure.

Luxurious accommodations aboard a magnificent President Liner at \$1250 to \$3500 per capita for the complete world circuit. A world-famous cuisine.

A sailing every Saturday from San Francisco (every two weeks from Boston and New York). Information from any ticket or tourist agent or

604 Fifth Avenue, New York City  
Robert Dollar Building, San Francisco, California

# DOLLAR STEAMSHIP LINE

## 1776-1926

### One Hundred and Fifty Years Ago

THE DECLARATION OF INDEPENDENCE and the Signature of JOHN HANCOCK inscribed on that Momentous Day—July 4, 1776—will live through the ages.

Any American, or anyone interested in America, can get a faithful facsimile copy of the Declaration—which contains the famous John Hancock signature and that of Fifty-Five other Immortal Americans who took their lives in their hands and pledged their fortunes to the Independence of the Colonies.

A splendid reminder of early struggles, to be framed and placed where all may behold it.

Write "Inquiry Bureau" John Hancock Mutual Life Insurance Company, 197 Clarendon Street, Boston.

*John Hancock*  
MUTUAL  
LIFE INSURANCE COMPANY  
OF BOSTON, MASSACHUSETTS

A STRONG COMPANY  
Over Sixty Years in Business.  
Liberal as to Contract, Safe  
and Secure in Every Way



of backyard adventuring than to the tales of hardship handed down by Bret Harte, Robert Service, and a swarm of movie directors. The effete furnishings of *de luxe* prospecting will put travel in a way of being mushy rather than musing.

COMMUNITY experience teaches the lesson day by day that publicity should begin at home. For timely example, there is Missouri's observance of "Missouri Products Week." Through the exhibition of products of the farm, forest, mine and factory, Missourians should come to a better understanding of the saying that "Missouri could come nearer to supporting itself independently than any other state in the union."

As defined by Charles A. Lee, state superintendent of schools, "the main trouble of us Missourians is that we do not know enough about our state; if we knew more about Missouri not so many of us would be looking for locations outside of the state." Plainly there's a good deal of logic in this testimonial to a faith that "the show-me state" can usefully nourish a "show-me" state of mind.

THERE is no country "of any size or consequence" in which American-made movies are not exhibited, and in many countries the American movies command up to 90 per cent of the showings, according to C. J. North of the Department of Commerce.

By way of illustration, he says that the United Kingdom's showings are 90 per cent American productions, in France the American showings amount to about 75 per cent, in Germany, up to January 1, 1925, 80 per cent, and in the Scandinavian countries, about 80 per cent.

The Latin-American nations, Mr. North explains, show American pictures in similar proportions, as do also the countries of the Far East, Australia providing the third largest market for American films, with a showing of more than 90 per cent American productions.

American foreign trade in motion pictures has been built up against feeble competition. For although other countries are producers, notably England, France, Germany, and Italy, the limited returns from the comparatively few theaters within their own borders—4,000 in England, 2,500 in France, 3,700 in Germany, and 2,000 in Italy—compared with more than 15,000 theaters in the United States, have forced foreign magnates to keep production costs much below those of American concerns.

But sales are not going to be so easy if the foreign producers now have their way. Through their governments they are trying to get legislation that would limit the number of American pictures shown, and their governments seem ready enough with sympathetic restrictions. So it is that France has provisionally prohibited the showing of films printed on inflammable stock. This decree would automatically force American producers to make prints on non-inflammable stock, in accordance with the French practice.

The positive and negative of this report is that the world wants American-made films, and that France, for one, does not want the inflammable sort. Acceptable revision of the flammable quality should not baffle American movie producers for long, even to satisfying domestic demand that the films be less flammable.

—RAYMOND C. WILLOUGHBY.

# TERRA COTTA

## For Beautiful, Clean Buildings



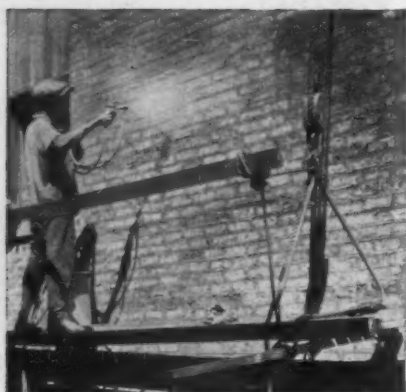
Union Central Life Ins. Co. Bldg., Cincinnati, Cass Gilbert, Architect, Garber & Woodward, Associate Architects. Note the result in partially completed washing.

**B**UILDINGS faced with Terra Cotta require only a simple washing with soap and water to remove weather stains. The glazed surface does not absorb dirt which remains only as a superficial deposit.

Let us send you our new illustrated booklet showing some beautiful Terra Cotta office buildings.

**NATIONAL TERRA COTTA SOCIETY**  
19 West 44th Street New York, N. Y.

(On behalf of the Terra Cotta Industry in the U. S.)



## Do Your Spring Painting the best way —at less cost

Have the job done in a fraction of the time it takes to paint by the old slow brush method. Every crevice in brick and plaster, every crack in weatherworn wood is thoroughly reached by the force of the spray. No amount of brushing could be as effective. Your own men can do the work.

### A Profitable Investment

By the use of a Binks Portable Spray outfit you can transform dark interiors into light, sanitary quarters. Brighten up elevator shafts. Paint the court walls to reflect light into your buildings. The cost is nominal. Binks Portable Spray equipment will deposit lead and oil paints, enamels, lacquers, varnishes, Graphites, Red Leads, Oxide and Aluminum Paints with equal facility.

Every large industrial institution should install a Binks Portable Spray outfit for economical maintenance of property. The use of such equipment more than pays for itself in the savings gained.

**Paints 1000  
Square Feet  
the First Hour  
with a BINKS  
Spray Gun**



Without previous experience with a spray gun, the ease and speed was astonishing to the painter. A little handling and he covered a thousand square feet in an hour. The easy, practical operation of the Binks Spray Gun has popularized its use for industrial maintenance. Special operating features insure steady fool-proof operation.



### Write today for Interesting Details

Our engineering department will be pleased to furnish you valuable information. When writing please advise what you wish to accomplish and we will recommend the type of equipment you need and tell you what it will cost.

**BINKS**  
SPRAY EQUIPMENT CO.  
3128 Carroll Ave.  
Chicago, Ill.

The World's Largest Manufacturers  
of Industrial Spraying Equipment,  
with Branches in All Principal Cities

## Reviews of Recent Business Books

**The Branch-Banking Question**, by Charles Wallace Collins. The Macmillan Company, New York, 1926. \$1.75.

This book is a clear statement in non-technical language, by one who has been in the midst of the branch-banking controversy, of both sides of that question. The opinions and arguments of that group which favors a wide extension of branch banking, that group which is opposed to the existence of branch banking in any form, as well as the third group of middle-grounders who are opposed to real branch banking, but favor the establishment and operation of intra-city financial service stations, are all given without prejudice.

Mr. Collins contends that the maintenance of intra-city branches is not branch banking.

The home-city branch, he says, "is not involved in the branch-banking question." He defines a branch as "an arm of the parent bank which has spread its credit risk over a wide variety of industries and avocations in various localities and is not dependent upon any one group for its resources."

The book contains a historical account of the development of branch banking in the United States, with special attention being given to the situation in California and to the status of branches of national banks. The McFadden-Pepper Bill is traced through the two sessions of the 68th Congress and a chapter is devoted to the much-controverted Section 9 of that measure.

Apparently the author inclines to the view that the answer to the branch-banking question lies in legislation, for he opens his treatise with the statement that "a satisfactory solution has not yet been enacted into law," and he closes it with the observation that "branch banking by state member banks has reached such proportions within the Federal Reserve System in some localities—notably in California—that it is necessary for Congress to declare a national branch-banking policy."

**Investigation of Business Problems**, by J. Eigelberner. A. W. Shaw Company, Chicago, 1926. \$5.

A carefully compiled handbook of the methods of conducting business investigations. Our old but not-always-respected friend, the questionnaire, comes in for a careful analysis.

**Ouroboros**, by Gareth Garrett. E. P. Dutton & Company, New York, N. Y., 1926. \$1.

It is a grim picture that Gareth Garrett draws in *Ouroboros* of the future that awaits the world as the competition for markets for machine-made products grows.

This is his thesis: The supremacy which was once Great Britain's in selling of manufactured goods for food has long passed. Now not only are the United States, France and Germany contending with her, but Italy, Spain and Japan are in the field. India, China and South America are growing discontented with the task of providing food and raw materials. They, too, would make cotton goods and shoes and talking machines; and once they make their own, they will soon make more and seek to sell them to us and to our customers. Here is a bit of Mr. Garrett's philosophy:

"We consume more and more of our own raw cotton and export enormous quantities of cotton cloth. Ultimately we shall have no raw cotton at all to sell; our mills will require the whole of our annual crop; we shall have nothing but cotton cloth to sell. To whom shall we sell it? Not to the Indians; they wish to make their own. Probably not to the Egyptians. The Japanese manufacturers of cotton goods have recently invaded the Egyptian market that was formerly Great Britain's own, and are underselling the British there. You would think China would be Japan's natural outlet for cotton goods. So it is. The difficulty is

that Japan must be looking further because China is beginning to supply herself."

**American Economic Life**, by Rexford Guy Tugwell, Thomas Munro and Roy E. Stryker. Harcourt, Brace and Company, New York, 1925. \$4.50.

Something of the book's nature may be gleaned from the fact that it was originally devised as a text for a course in Columbia College called "An Introduction to Contemporary Civilization." This course and the book which grew from it drew upon the Departments of History, Philosophy, Government and Economics.

Although the sub-title is "And the Means of Its Improvement," the authors disclaim any intention "to discuss problems to the point of closing argument." Theirs is no philosophy of despair; rather an assertion that here in the United States are the opportunities to try by experiment the methods of bettering our economic situation.

An interesting and a well-illustrated book.

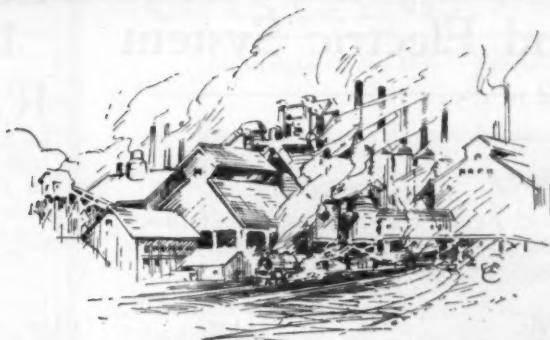
**Federal Reserve Banking Practice**, by H. Parker Willis and William H. Steiner. D. Appleton & Company, New York, 1926.

The bibliography of the Federal Reserve System is steadily growing. Notable among recent contributions to the list are: the narrative treatment by W. P. G. Harding in the *Formative Period of the Federal Reserve System*; a concise discussion of *The Federal Reserve System in Operation* by E. A. Goldenweiser, intended primarily for college classes in banking; works dealing with specialized phases of the system such as Chapman's *Fiscal Functions of the Federal Reserve System*; Beckhart's *Discount Policy of the Federal Reserve System*; and the former monumental work by the first of the present authors on the *Federal Reserve System: Legislation, Organization and Operation*. *Federal Reserve Banking Practice*, by Willis and Steiner is a worthy companion volume to the earlier work in which Dr. Willis traced the movement which led up to the Federal Reserve Act, showed in detail its progress in Congress, recorded the steps in the organization of the banks and gave some discussion to early operation.

The authors of the present volume were both connected with the Federal Reserve System during its early years. They both have had unusual opportunities for observing and interpreting the developments of the banking practice under the system. They both have a practical banking background, coupled with an academic training and experience which has enabled them to produce an exceptionally well-balanced book. Coming as it does at the end of the first decade of the life of the system, at a time when practice in the banks has settled down, to a large extent, to normal peace time activity, the book will be an invaluable aid in estimating the present development of the system, the continuance of which is now one of the important questions before Congress for decision.

The book is intended as a compendium of banking practice for the use and information particularly of bankers and business men who have dealings with the Federal Reserve System. Banking practice is not used in this instance as it so often is to describe the internal organization or office practice of banks in their routine operations. It refers rather to the custom or habit of bankers, bankers being defined to include chiefly those "who possess executive oversight or those who are vested with the exercise of executive duty in connection with the functions which they are called upon to perform." Throughout, the authors keep in mind the business man and tie up banking functions with the daily operation of the business concern. The book constitutes the most important contribution to the field of Federal Reserve literature which has yet appeared.





## Why is Dodge the Worlds Marketplace for Industrial Equipment

PERHAPS you are an executive who has asked that question as you studied the new definition of Dodge—"The World's Marketplace for Industrial Equipment."

Power transmitting, material handling, special machinery and Dodge-Timken unit bearings—these four definite divisions are serving every industry. Pounds or tons, Dodge can build it. Dodge means nearly a half century of engineering and manufacturing experience applied to your own specific problems.

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Big jobs! Tremendous facilities. Engineers who had to know production problems to cope with power transmitting prob-

lems! Industry demanded these. Dodge met Industry's demands.

Material handling problems found their way to Dodge. Conveying machinery became a department of the Dodge business. Here again were "wheels"—here again the question of correct design and construction to meet the demands of 24-hour uninterrupted service. Today, this department, backed by a complete, up-to-date line of equipment, offers an exclusive specialized service to Industry. The Material Handling Division, while a definite unit, is related to the whole.

Dodge developed the Dodge-Timken roller bearing mounting, applying it first to power transmitting and then to conveying machinery. Today, Dodge-Timken unit bearings are the standard for many types of duplicate machinery. And today a special engineering division is available for counsel with manufacturers on their bearing needs.

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Let Dodge engineers determine to what extent our experience, facilities and service can be of dollars-and-cents value to you. Where Industry is, Dodge is on hand to serve. Fourteen district sales offices and three hundred Dodge distributors place our experience, facilities and service within reach of your telephone.

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Founded in 1852

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One of the most far-reaching declines ever experienced by American business occurred in 1921. The volume of manufacture for all lines of industry in the United States in that year was 32% below that of 1920.

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Despite this slight decline in the output of electricity by the Associated properties, the gross earnings increased 7.3% and the net earnings 35.3%.

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## League of Nations Discusses Taxes

REDUCTION or elimination of double taxation—one of the serious obstacles to the free development of international trade—is the subject for discussion at an International Conference to be held at Geneva beginning May-17, 1926, under the auspices of the League of Nations. The United States Government has been formally invited to send a representative to this conference. This invitation, however, does not by any means mark the beginning of this country's active interest in the vexed question of double taxation which in some respects resembles the weather inasmuch as everybody has talked about it, but nobody has done much—until the last five years.

The International Chamber of Commerce, in which American business is actively interested, has been a pioneer in this field since its organization meeting in London in 1920. The American Section of the International Chamber's Committee on Double Taxation, composed of Professor T. S. Adams, Yale University; W. S. Elliott, International Harvester Company; W. F. Gephart, First National Bank, St. Louis; Jerome Greene, Lee, Higginson & Co.; G. O. May, Price, Waterhouse & Co.; and J. B. Robinson, Coudert Brothers, has been continuously active during the past five years and has contributed constructive aid in an attempt to find a satisfactory solution of this exceedingly complex yet important question to business generally, and to international trade in particular.

Following the appointment by the International Chamber of the committee to consider double taxation, the League of Nations also became interested in the subject. In 1921, four economists, among them an American, Professor Seligman, were appointed to consider the theoretical aspects of the question and, as a result, a very illuminating report was published. The League then appointed a committee of seven experts, all of them engaged in the practical administration of fiscal matters in their respective countries. The duties of these technical experts were to consider the administrative and practical aspects of double taxation and tax evasion.

### Chamber and League Cooperate

DURING this time the International Chamber actively continued its work of attempting to arrive at a satisfactory and practical program, and a very close cooperation between the International Chamber and the League developed. A representative of the League was invited to sit with the International Chamber Committee and later this was reciprocated and a delegate from the International Chamber met with the League's Technical Experts. The result was that the representatives of the League and of the International Chamber came to a substantial agreement on a program and this was approved at the meeting of the International Chamber in Brussels in June, 1925.

The matter had now been carried about as far as seemed possible by informal procedure and the time seemed ripe for more formal action. The League consequently decided to call a conference and invited delegates not only from the countries which were originally represented by the seven experts, Belgium, Czecho-Slovakia, France, Great Britain, Italy, the Netherlands, and Switzerland, but also extended invitations to the



United States, Germany, Poland, Argentina, Venezuela and Japan.

The International Chamber of Commerce has also been asked to send delegates to act in an advisory capacity. Of the thirteen countries invited to send delegates to the conference, all but two, according to present information, have accepted. No word has been received from Argentina, and the United States has decided not to be represented.

As a result of the war, nearly all governments now have exceedingly heavy budgets and are consequently keenly interested in finding methods of raising revenues. The result is that each government is inclined to tax all property or income over which they have territorial jurisdiction and to tax all incomes, regardless of the source, of persons domiciled within their territory and in some instances to tax their citizens residing abroad, also regardless of the source of their income.

#### Taxes Hinder International Trade

THERE IS, moreover, no established rule of allotting income among the various nations who have color to a claim to tax. If, for example, an American automobile manufacturer sells an automobile in France and makes a net profit of \$100, in which country has the profit accrued? The United States may assert a claim to tax and France may also assert the same right, and the manufacturer has no alternative except to pay the double assessment or quit business. The entire lack of any recognized method of allocating income for tax purposes may lead to double or multiple taxation and place a heavy burden on exchange of goods internationally—at times so heavy as to preclude trade.

The question is of peculiar interest to the United States since its huge exporting business necessitates foreign branches or selling branches. The location of these selling and distributing organizations gives the countries in which they are situated a claim to tax, and since there are no recognized rules of determining the tax, each government does what it deems best for its own interests. If then the home country also taxes, the burden may become intolerable.

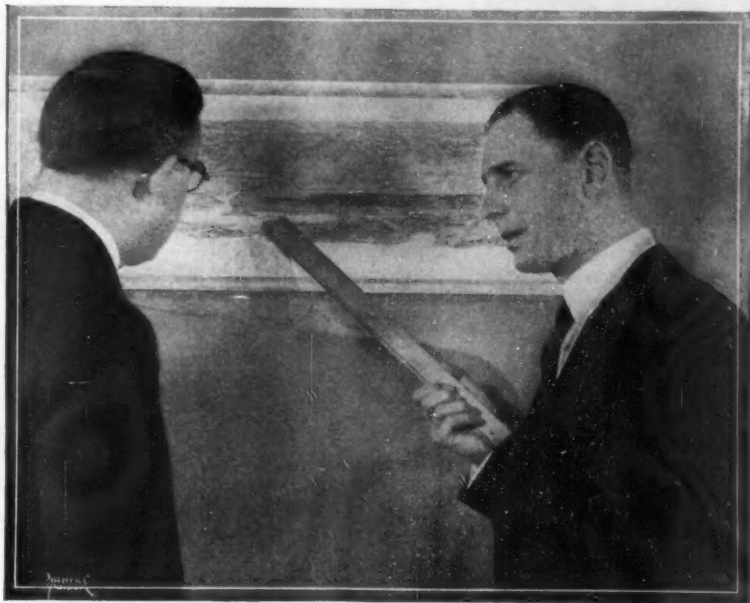
It is true that the United States government affords some relief to its corporations and citizens which are taxed abroad. Under present revenue laws, within certain limits, an American corporation or citizen paying taxes to a foreign country is allowed a credit on taxes due to the Federal government.

In 1922, over \$11,000,000 in taxes was remitted by the national government because of taxes paid abroad by American corporations and citizens. While this does, to some extent at least, give relief to Americans transacting business abroad, it is simply an act of generosity on the part of the government and is not a solution of the question on its merits.

Not only is American business interested in the question of double taxation because of the huge commodity exports of this country, but we have now become a creditor nation and are exporting large amounts of capital. For some time past, heavy investments have been made abroad by Americans and there is every reason to believe that such investments will continue to increase. It is true that many, perhaps all, of the loans made by Americans to foreign governments have satisfactory tax protection in the debtor countries, but this is not true of the loans made by Americans to private corporations and firms abroad.

## OAKLAND AND ALAMEDA COUNTY CALIFORNIA

*Advantages of the West's Fastest-growing Industrial District—No. 7*



### "Jim, Oakland has every advantage of location

besides having one of the world's greatest harbors. It is the county seat and largest city in Alameda County, one of the richest and most productive counties in the state. Within the county's boundaries are:

"Berkeley, the site of the University of California with the largest student body of any university in the world. Here also is a growing industrial section. Next is Emeryville, entirely a manufacturing community. This is the city of Alameda which has been so strongly urged as the location for the United States naval base. Here is Oakland and immediately adjoining is San Leandro, noted for its increasing industrial activities; then comes Hayward, famous for squab and poultry raising. Here on the bay shore is Newark, another industrial community. The balance of the county is largely engaged in agricultural and horticultural pursuits.

"Back of Alameda County lies Central California, including the famous valleys of the Sacramento and San Joaquin which have two-thirds of the tillable area of the state and produce the majority of its agricultural products. Rich back country is a valuable asset to any manufacturing district; it affords support both through what it produces and the markets it affords. Our nearness to food-producing centers is the chief reason why living costs are so much less here than in many other cities.

"You asked what we are doing in harbor improvement; I'll show you.

(To be continued in the June issue.)



A technical, industrial report will be prepared for any industry, or general information will be furnished on request.

Write Industrial Department, Chamber of Commerce

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"INDUSTRIAL CAPITAL OF THE WEST"

★This district includes the principal cities of Alameda County—Oakland, Berkeley, Alameda, Emeryville, San Leandro, Hayward, Newark, Niles—and is being advertised co-operatively by the Oakland Chamber of Commerce and the Alameda County Board of Supervisors.

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Our offices in fifty leading cities are ready to advise you in the selection of suitable offerings.

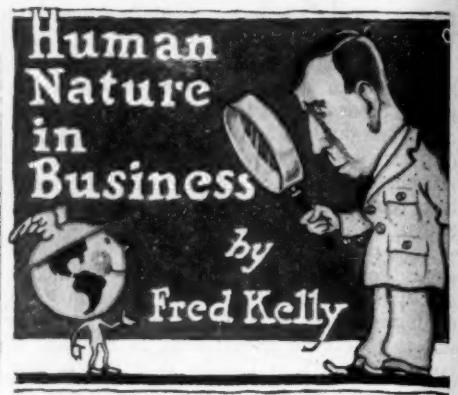
## The National City Company

National City Bank Building, New York

BONDS ACCEPTANCES



SHORT TERM NOTES



**A** BIG manufacturing concern attempted last year what was thought to be a clever idea. The plan was to take several of their more intelligent machinists who understood the mechanism of every part of their product and put them on the road as salesmen—the assumption being that high-grade men who know most about a product could talk most convincingly about it to customers.

Of course this plan, while it might sound plausible enough, was illogical. As should have been expected, the high-grade machinists were failures as salesmen. Any good psychologist could have foretold that such a shift of occupation would not work.

A man becomes a machinist not alone because he likes machinery, but because it is a kind of work that he can do *alone*. It gives him opportunity to devote himself to his own thoughts. He is what psychologists call an *introvert*, the opposite type from the clever salesman who is more interested in other people than in himself, and who, because his thoughts go out rather than in, is scientifically classed as an *extravert*.

Because machinists and salesmen are so unlike in temperament it is unlikely that a machinist could step into a selling occupation and be successful.

**I**N A LARGE Middle Western city is a cemetery occupying the equivalent of more than two city blocks, not far from the retail business center. It has been there since this location, almost in the heart of the present city, was at the outskirts. It is now considered a big detriment to real estate values and has checked building development in that section. Probably many a city has just such a cemetery problem. Real estate men are always trying to find means by which a cemetery may be abandoned and the ground built over.

Yet surely only a little thought is needed to show that a cemetery in the midst of a great city could easily be made more of an asset than a liability to surrounding property. If everybody were taught to say:

"Property along here is more valuable than elsewhere, because it faces the cemetery and is thus sure of always having open space about it," the public would accept that interpretation just as readily as when property owners say, as they now do:

"Mark values *down* here because there's objectionable breathing space near."

Owners of property adjoining Trinity churchyard in New York City certainly do not consider that cemetery a menace to real estate values. Neither do property owners in New England towns object to the cemetery, which is usually the town's beauty spot.

In these days when people no longer believe in ghosts, headless horsemen and such

### COMPETITION

is no longer among individuals. It is among materials and industries. When you go to buy a new roof, it isn't Smith, the roofer, and Jones, the roofer, who fight for your trade. The fight is fought by shingles, asphalt, tin, copper, sheet steel, etc.

### The New Competition

will be discussed in the June number of NATION'S BUSINESS by O. H. Cheney, Vice-President of the American Exchange-Pacific National Bank. An article to look forward to!

### Pay less— get more from envelopes!

**CUPPLES** saves you money—knows which envelope will best fill your need, and knows how to make it cheaper.

Write for the new booklet "Envelopes as Advertising Mediums." It tells all about envelopes and describes Cupples' side-seam envelopes, the ones that are handled easier, addressed faster and cost less. It's **FREE**—write today!



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Pioneering—in the right direction—is leadership.  
For example, the Atwater Kent Manufacturing Company was the first—

to produce a full-powered receiving set in a cabinet so small as to be unobtrusive and decorative in any room in any home.

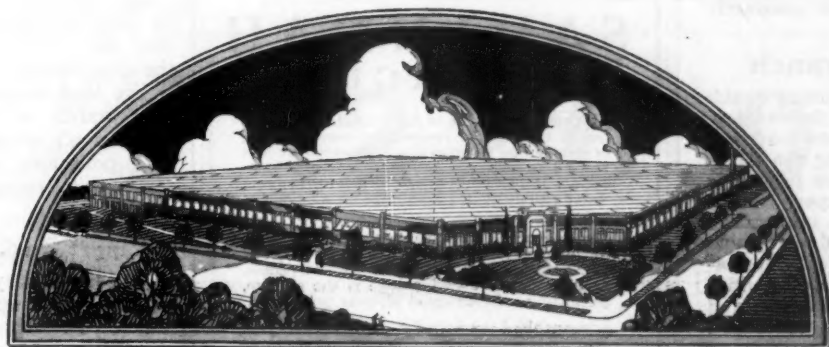
to adjust production to public need—which prevents dumping.

to advertise straight through the summer, stimulating sales in what had been regarded as a "dull season."

to use outdoor posters in advertising

to engage celebrities of opera and concert for broadcasting to an audience of millions.

Each of these innovations has justified itself by results and is an instance of pioneering in the right direction.

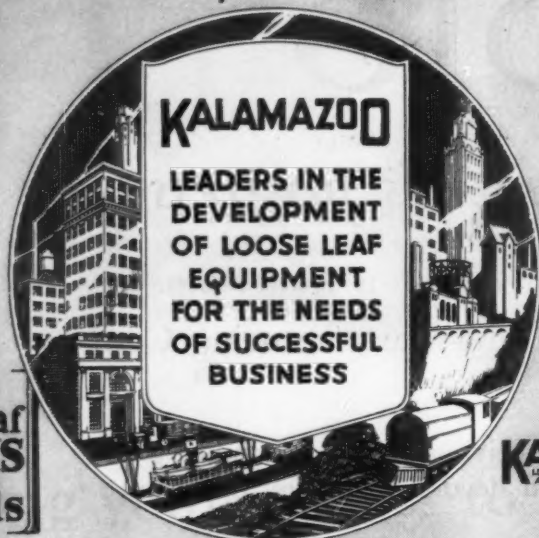


ATWATER KENT MANUFACTURING Co., 4812 Wissahickon Ave., Philadelphia, Pa.

*A. Atwater Kent, President*

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CHOOSE  
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NOW-

KALAMAZOO LOOSE LEAF BINDER COMPANY  
Factories at Kalamazoo, Mich., and Los Angeles, Calif. Sales Offices in Principal Cities

nonsense, a cemetery in a congested part of a great city, if properly kept and beautified, might be almost as valuable to adjoining real estate as a city park. Yet realtors invariably appear to overlook this obvious fact and uniformly fail to make capital of it.

AT LEAST one line of business will never be included in the present trend toward more and more instalment buying. I refer to physical culture studios. Such places invariably make their customers not only pay cash but cash well in advance of delivery of the goods. They know from experience that otherwise too many of their customers would disappear never to be heard of more.

The reason is, of course, that it is easy to sell a man a scheme for improving his health so long as he is not reminded of how much time and effort he personally must devote to the enterprise.

Passing a medicine ball back and forth with a muscular young pink-skinned instructor is fun the first two or three days, but if the customer had not already paid his money for, say, three months' work, he would soon renege on his bargain.

In fact, he probably does fall by the wayside long before he receives his money's worth, not because the service was not exactly as represented, but because he is not willing to stick at it after the first burst of enthusiasm. I doubt if one man in a hundred who pays his money for a physical culture course, ever stays to the end. But when he drops out the loss is his own. Any intelligently managed physical culture business sees to that.

SOME years ago the United States Department of Commerce made an effort to popularize the use of sea mussels as food. They placed liberal quantities of sea mussels in barrels at police stations in one or two large cities, and bade policemen help themselves. Why at police stations? Well, because a policeman is a logical advertising medium for food.

The average patrolman is an able-bodied man, who works in the open air and in the course of a day develops a fiendish appetite. Being hungry most of the time, he takes keen interest in food and is often a connoisseur on eatables. Moreover, he likes to talk about food and will do so, too, whenever he has opportunity. Hence, it was a "cagey" idea to introduce a new kind of food by way of policemen. If they like a food they are certain to talk about it and spread the glad tidings.

I've long wondered why manufacturers of new brands of breakfast food or canned goods don't adopt this plan of cooperating with policemen as a simple means of disseminating propaganda for any worthy food product.

HOW intelligent should a business man be? It may be a new thought and yet it must be obvious that intelligence, according to the ordinary understanding of the word, is not everything.

In a famous intelligence test given to a large group of successful business men, two or three of the lowest scores were made by presidents of their concerns. However, even these were fully equal to the average of American intelligence, suggesting that at least this minimum of mentality is needed for success in business. In this connection, Dr. W. V. Bingham, director of the National Federation of Personnel Research, raised the question of the relative importance of in-



## Bureau of Canadian Information

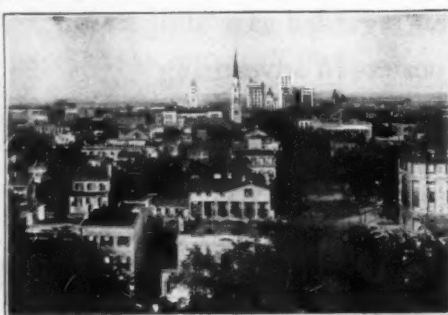
The Canadian Pacific Railway through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. In our Reference Library at Montreal is complete data on natural resources, climate, labor, transportation, business openings, etc. Additional data is constantly being added.

### Development Branch

If you are interested in the mining wealth and industry of Canada or in the development or supply of industrial raw materials available from resources along the Canadian Pacific Railway, you are invited to consult this Branch. An expert staff is maintained to investigate information relative to these resources and to examine deposits in the field. Practical information is available as to special opportunities for development, use of by-products and markets, industrial crops, prospecting and mining.

"Ask the Canadian Pacific about Canada" is not a mere advertising slogan. It is an intimation of service—without charge or obligation—that the information is available and will be promptly forthcoming to those who desire it.

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Savannah, by virtue of fortunate location, is a logical site for the progressive manufacturing or commercial enterprise. It is served by four trunk line railroads and three national highways. It is an international seaport with direct water shipment at lower rates to all ports of the world.

Furthermore, Savannah is the pulse of a vast surrounding territory rich in raw materials and with a trading population of 30,000,000 people. Another important advantage is the climate, permitting uninterrupted all-year production.

Savannah has openings for numerous new and diversified industries. There are many low-priced factory sites on both rail and water. Real estate values are governed in their steady increase by a well-defined development program.

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SAVANNAH GEORGIA



telligence and of non-intellectual traits as factors in business achievement. He asks whether beyond a certain point brains count more than character and personality.

"University teachers," he says, "are prone to magnify the importance of intelligence. It is, indeed, likely to be the chief factor in their own success. They tend to estimate the effectiveness of their colleagues in terms of intellectual accomplishment. They rank their students in order of ability to master and manipulate ideas.

"In the world of business, on the other hand, success is first of all a matter of getting things done. Ability to persuade and control people is an outstanding asset. Effectiveness within an organization demands such traits as dependability, cooperativeness, energy, promptness of decision. If traits like these are present in high degree, a man may make a notable business success even though his mental alertness test rating on the Army scale is only B or C. Intelligence there must be, above a certain minimum. But this minimum is, perhaps, not so high as is often supposed."

**UNDOUBTEDLY** one of the greatest assets in business is ability to get things done. A wise man knowing that even a highly intelligent person can't always be right, aims to work on batting averages. That is, he tries to get as much done as possible and hit correct judgments better than half the time.

John M. Bowman, head of the Biltmore and other hotels in New York, once told me:

"I'd rather make decisions according to the toss of a coin and make them promptly than to take too long trying to arrive at logical conclusions by slow reasoning processes. The man who gives a decision instantly may frequently be wrong but he does get more done than the fellow who delays all day trying to make up his mind what to do."

**A MAN** I know bought an automobile last year and it gave him so much trouble that he became vexed with it almost beyond endurance. Being a man of somewhat original turn of mind he took an unusual way to let the makers know how little he thought of their car. He drove it several hundred miles to the main manufacturing plant, backed the car up in front of the offices before anybody had arrived and left it there with a tag attached reading as follows:

"This car is so rotten that I don't want the disgrace of owning it. I'm giving it back to you."

He never heard a word from the manufacturers from that day to this. Perhaps they figured that inasmuch as they have thousands of satisfied customers the only dignified course would be to ignore such rabid complaint.

But I think they made a mistake not to get hold of this man and restore him to good humor. They should have convinced him, by means of good treatment, that whatever was wrong with his car must have been his own fault.

When a man is so dissatisfied with a product that he will throw away several hundred dollars of value just for the privilege of showing his contempt for it, we can assume only that right or wrong, he *thinks* he is right.

That being true, so aggressive a kicker could do an untold lot of harm by word of mouth. In fact, this man attended the



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**MOST MILES PER DOLLAR**

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**NON-SKID HI-TYPE TIRES**

AMERICANS SHOULD PRODUCE THEIR OWN RUBBER *J.B. Firestone*

# 220,000

business men like yourself are reading this number of NATION'S BUSINESS.

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Through the New York office of The Equitable and the five foreign offices described below, The Equitable occupies an unusual position in the field of foreign banking. From those offices radiates a system of 11,000 correspondents extending throughout the world.

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The two offices of The Equitable in London assist in financing the ever growing export and import trade between Great Britain, her Colonies, and the United States; and serve the ever-increasing number of American visitors to London.

The main office is in the heart of the financial district at 10 Moorgate, E. C. 2, and near the Bank of England. The second office is in Bush House, near the shopping and hotel districts.

#### In Paris

The Equitable in Paris is one of the largest banks in that city. During the past two years, it has ranked from twelfth to fourth in clearings in the Paris clearing house. Its convenient location, 23 Rue de la Paix, has made it extremely popular with continental travelers and its conscientious, painstaking service has steadily increased its patronage. In addition to the various departments of a modern bank and trust company, the office maintains a separate department for women and a special travel service bureau.

#### In the Far East

The Equitable Eastern Banking Corporation is a subsidiary of The Equitable Trust Company with offices at 37 Wall Street, New York, Kiukiang Road, Shanghai, and Queens Road, Hong Kong. Its officers are officers of the Equitable Trust Company.

The Equitable Eastern Banking Corporation gives correspondent banks, manufacturers, importers and exporters the advantages of a bank devoted exclusively to Oriental business, which is thoroughly familiar with the markets and customs of the East.

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—your business  
abroad can be benefited by a bank  
equipped to serve  
you unusually  
well, read the column at the left.

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last automobile show in his city, stationed himself near the display of the car he thought so poorly of and devoted most of his evening engaging strangers in conversation to acquaint them with its more glaring faults. I submit that when such antagonism is sincere it is unwise for any corporation to permit it to run unchecked.

A STRANGER called on me one morning and remarked, as he came in, that my boy was 12 years old that day.

"I'm not interested in life insurance," I told him, and he was surprised that I knew his business. Who but an insurance agent would keep a record of the birthday of a child he didn't know, and use it as a means of opening a talk leading up to the subject of protecting one's dependents?

AN INTERURBAN railroad in Akron, Ohio, actually offers to take automobiles to a safe parking place and bring them back at any given hour, whenever the owners wish to ride on that railroad. What, one is tempted to inquire, could be more fair?

I RECENTLY talked to a keen student of economics who says he seriously contemplates writing a revised text-book of economics with proper allowance made for the fact that we have undergone an economic revolution. All old text-books now in use, he insists, are out of date. The reason is modern instalment buying. It has changed or modified so many of the old economic laws that most of them need restating.

ONE of the most effective arguments for closing a contract," says a salesman for a well-known household device, "is to tell a customer of a contest on among rival salesmen.

"No matter how much a man likes what I have to sell, he is inclined to delay signing on the dotted line. But if I first win his friendship and then tell him of a contest in which I hope to outstrip all other salesmen for our company, by the first of the month—that is the most clinching argument I can make. The explanation is the kindness of human beings. If a salesman is the right sort he gets the customer interested not only in what he is selling but in *him*."

I'VE BEEN surprised lately at the number of notoriously inaccessible business men who would just as soon be seen as not. I have especially in mind a famous banker, generally believed to be aloof from the public, who will gladly talk to almost any casual caller. But one must have the foresight to call when his secretary has stepped out of the office. This secretary has given his boss an undeserved reputation as a grouch, because of a desire to make his own job more formidable. The secretary evidently thinks to himself: "If the boss is going to see everybody that comes along then he doesn't need any secretary. I'm important in proportion to the number of people I shoo away from him."

THE Bell Telephone Company, which makes elaborate efforts to estimate, many years in advance, the future population of leading cities, discovered some time ago that a certain city has almost reached the limit of growth, because of the problem of water supply. To have water for much more than its present population the city would have to encroach upon water sources that rightfully should belong to other cities. Yet I doubt if local trade associations know that the





## Coty, Inc., Doubles Its Schedule in the Photogravure Section of The Chicago Daily News

Coty, Inc., has been a consistent advertiser in the Saturday Photogravure Section of The Chicago Daily News since 1923.

The 1926 schedule calls for minimum space of 10,000 lines, or double the initial schedule of 1925.

In 1923 the photogravure advertising of Coty, Inc., in The Chicago Daily News was 1,960 lines; in 1924, 6,730 lines; in 1925, 7,708 lines.

This increased use of space in the Saturday Photogravure Section of The Chicago Daily News is typical evidence of the growing recognition by advertisers of the selling effectiveness of this Section.

## The Chicago Daily News

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vice to loveliness. The  
giving from the dressing  
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gay outside hours. In  
is a supreme excellence  
the purity, a velvety soft  
of texture so appeal-  
the sense of luxury

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EACH ONE DOLLAR

## As it should be

SINCE its extra cost, when spread over its billions of output, figures to but three cents per package of twenty, it is quite fair to say that Fatima, in between 'costly' and 'popular' in price, is decidedly more popular than costly

# F A T I M A



*"What a whale of a difference  
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## Frame These Dates In Your Mind

# May 10, 11, 12, 13

MONDAY TUESDAY WEDNESDAY THURSDAY

THE FOURTEENTH ANNUAL MEETING  
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An Opportunity for Making Unusual Business Contacts  
Also—Recreation*

Advertising space in the Extra Edition of NATION'S BUSINESS (the extra number which we publish annually and which carries the principal addresses and abstracts of group session discussions) is being reserved now.

Address the Chamber of Commerce of the United States, Washington.

When writing to LIGGETT & MYERS TOBACCO CO, please mention Nation's Business

growth of their city is thus circumscribed. At any rate, I notice that local boomers predict a vast increase of population for 1930.

Of course the phone company doesn't distribute such forecasts, as it wisely desires not to be involved in population rivalries between cities.

A BUILDING contractor tells me that it is easy enough to estimate the cost of a large apartment building. One merely determines the number of cubic feet in the building and multiplies this by 49 cents. "But if you want something extra nice," he said, "it may cost 50 cents."

## A Woman Tunes In To Human-Nature Notes Out of Fred Kelly's Range

By EDNA ROWE

I WAS getting my hair trimmed in the "French Beauty Shop" by a sandy-haired young Irishman. Without hope, I ventured my habitual suggestion habitually ignored by operators.

"Shingle it higher in the back please. If it stood out more at the crown, my nose—" I stopped. After all, he could see my nose!

To my surprise, a quick, responsive smile flashed back from the mirror. "Just what I was planning, Miss. Y'see, with a—a—strong profile like you got" (charming tact!) "the way you've been wearing it spoils the line. Funny thing," he went on, his voice blurred in the whirr of shears swooping swift and sure from nape to crown, "you're one of the very types I and my roommate sat up till two o'clock this morning arguing over. Gee, it sure makes you sick to see what some of these barbers do to a woman's looks. Over in Paris, now—"

"They do it better over there?"

"I'll say they do! Boy, if I could have two months' work under DeL—! I'm saving up for it," he breathed eagerly into my emerging ear. "Summer after next! It don't cost so much, they say, for a room and food. And I could get some work evenings, maybe—"

I thought of Paris, and of what it meant to most of us under thirty. But many another has labored and sacrificed there for ultimate success in his chosen art.

And only an artist could have made my nose so unobtrusive!

RECENTLY I returned to my room in a New York hotel just in time to watch four plump pillows stiffen and stand at attention under the skilful manipulation of an equally plump maid. She was not young, nor pretty, nor very pleasant; but she assembled the best bed I every sank gratefully into after a day's shopping.

"How many rooms do you have?" I asked.

"Eighteen. Twenty, some days. Extra pay for all over fourteen. I make enough that way to pay for my little girl's piano lessons. She's playing at a recital Saturday." (Did I say her face was not pleasant? I retract.)

"But don't you get horribly tired?"

"Well, ma'am, mornings are all right, but"—grimly, "long about two o'clock, if it wasn't for the pillows, I couldn't stand it."

"The pillows?"

"Sure. They're so good to hit. You can whang at 'em and cuss 'em out, and it saves



you cussin' out the women that spill powder into the carpets or the men that sleep all day. Yeh, it's beating up the pillows that saves me my job."

"I wish I knew how you make them stand up like that."

"Uh-huh. There's plenty'd like to know. So's they could get my job—my pay. It's practice does it. Practice"—she stooped to gather up the linen—"and a kind of a trick you have to find out for yourself, ma'am."

**EVERYTHING** for the party had come but the cake. The twins were almost in tears. They couldn't be seven till the seven candles were lighted. And if there weren't any cake, there couldn't be any candles! I discovered them flanking the elevator door, far from our apartment.

"But Moth-er! We gotta wait for the caker!"

"She won't come this way. She'll deliver it downstairs in the package-room and George will bring it up, like the laundry and everything."

But he didn't. The elevator door shot open, and out hurried the beaming "caker" herself, the great, square box held securely before her.

"I'm delivering right to the apartments now," she explained. "Twice last week the frosting got broken from careless handling. And what good's a cake that doesn't look good?"

"It must take a good deal of your time."

"Yes, I can't fill quite so many orders a week without baking pretty late evenings. But, anyway, my customers are pleased. And it'll pay, too. They'll get me more orders, and some day I'll have a delivery boy I can trust to keep them right-side up." Fondly she touched the box with her finger. "I'll bet there's no crack in *this* cake!"

There wasn't. Not till the candles were lit.

## Empties Now Go West

**EASTBOUND EMPTY CARS** used to be a problem for the railroads running to the Pacific coast. The Panama Canal and development of the western states seem to have caused an exact reversal of the situation. On March 13 the Interstate Commerce Commission handed down an opinion in which it said that these roads now have westbound empty cars in such numbers that these empty cars could carry all of the freight now moving from an eastern seaboard to the West Coast through the Canal.

In the months of June to November, 1923, there were carried westward through the canal to the Pacific coast 861,000 tons of such commodities as iron and steel, cotton goods, paper, and paint, whereas there were 195,000 tons of the same commodities hauled westward during the same period by the railroads.

These figures, of course, are far from showing the total tonnage of freight handled through the canal from an eastern seaboard to a western or hauled westward by our transcontinental railroads. In 1923, the cargo of all kinds carried through the canal from the Atlantic and Gulf ports to Pacific ports reached 2,978,000 tons, and in 1925 it was 2,468,000 tons. This total carried by water is but a very small fraction of the total tonnage carried by the transcontinental railroads west of Chicago, the Commission says.

But the question before the Commission dealt, not with all freight, but with certain classes which originate both in the eastern



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The Irving-Columbia's Out-of-Town Office is a contribution to the promotion of commerce. This Office, in the Woolworth Building, New York City, is a banking unit devoted to facilitating the business interests of customers in the United States outside of New York.

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*New York*



THE TORO PARK SPECIAL

## THE TORO

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## VISION and the Budget

**VISION:** *The inspired mental picture, painted with the brush of keen observation, in the pigments of potential achievement.*

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VISION throws the light of the past and the present on future business, picking out the larger opportunities. It is as necessary as credit. It is the back-bone of efficiency in buying, producing, selling or accounting. The lack of it limits progress.

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BALTIMORE	CANTON	CHICAGO	DENVER	FORT WORTH
WASHINGTON	DAYTON	MILWAUKEE	SAN FRANCISCO	SAN ANTONIO
RICHMOND	LOUISVILLE	INDIANAPOLIS	LOS ANGELES	WACO
	MEMPHIS		ATLANTA	

part of the United States and the portion of the middle west lying between Chicago and Colorado. On these commodities the western railroads wanted to reduce their rates to the Pacific coast, without reducing them to the inland cities of the intermountain region, saying that their purpose was to try to get back part of the business formerly done with the west coast by manufacturers of the middle west and lost to eastern manufacturers, because of the competitive advantages given to eastern manufacturers by the coast-to-coast steamship lines and their low rates.

By a majority vote the Commission refused to allow the western railroads to take the course they proposed. The lower rates, the Commission concluded, would yield to the roads something over and above their out-of-pocket expenses, but the Commission found other difficulties. The gain in revenues to the western roads would about offset the losses which would result to eastern railroads and the steamship lines, and the present relationship in rates for freight westward by rail would be disturbed as between cities east of Chicago, on the one hand, and Chicago and cities to the westward, on the other hand, with an advantage to the latter.

There would be no assurance that the new rates would in fact produce a gain for the western roads, as the steamship lines might cut their rates, not being subject to the Commission's regulatory powers. Besides, Congress in the Transportation Act of 1920 had declared that both rail and water transportation should be fostered and preserved in full vigor, and the proposal of the western roads, if carried into effect, would cause the steamship lines to lose a substantial part of their business.

Finally, the Commission thought there would be unfair advantage to dealers on the coast in their competition in distribution with dealers in the cities of the intermountain states. Both sets of dealers at present are on an equality in purchasing from the central west, but under the proposed rates the dealers in cities on the coast would have an advantage in purchases made in that region.

Three of the commissioners dissented.

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